



Let's
fix it!

22/23

Annual and Sustainability Report



Contents

- 3. The year in brief
- 4. CEO's statement
- 5. Operations
- 8. Strategy and targets
- 13. Directors' Report
- 20. Risks
- 25. Corporate governance
- 35. Financial statements
- 44. Notes
- 70. Key ratios
- 74. Sustainability information
- 100. The share and shareholders

Clas Ohlson AB (publ) is a Swedish company and is subject to Swedish law. All amounts are stated in Swedish kronor (SEK). Amounts in millions of SEK are abbreviated MSEK and thousands of SEK as TSEK. Unless otherwise specified, figures in parenthesis pertain to previous financial year. Data regarding markets and competition reflect Clas Ohlson's own assessments if a specific source is not quoted. These assessments are based on the best and most recent factual data from published sources in the public sector and the consumer goods industry.

About the Annual and Sustainability Report

Clas Ohlson AB presents financial and non-financial information integrated in a single report. The report includes standard and specific disclosures based on the GRI Standards guidelines. The scope of the statutory sustainability report is stated on page 74. The statutory annual report encompasses the Directors' Report and the financial statements on pages 14-64.

Produced by Clas Ohlson AB in cooperation with Fotografisk Form & Kommunikation. Photo: Clas Ohlson, Gustav Kaiser.

This Annual and Sustainability Report is an English translation of the Swedish original. In the event of any discrepancies, the Swedish version shall govern. The Annual and Sustainability Report in ESEF is available at [about.clasohlson.com](https://www.clasohlson.com).

Unique position in Nordic retail

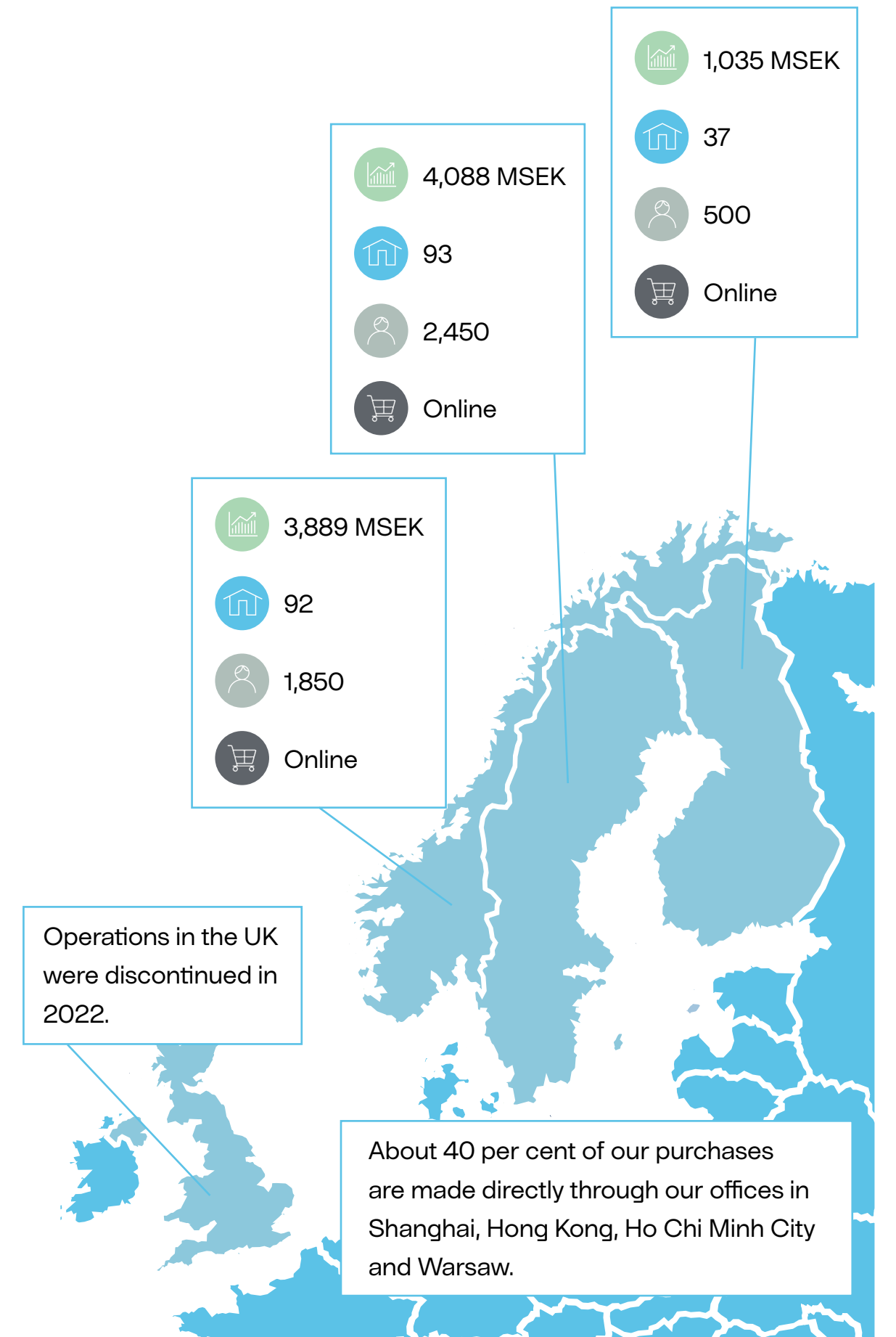
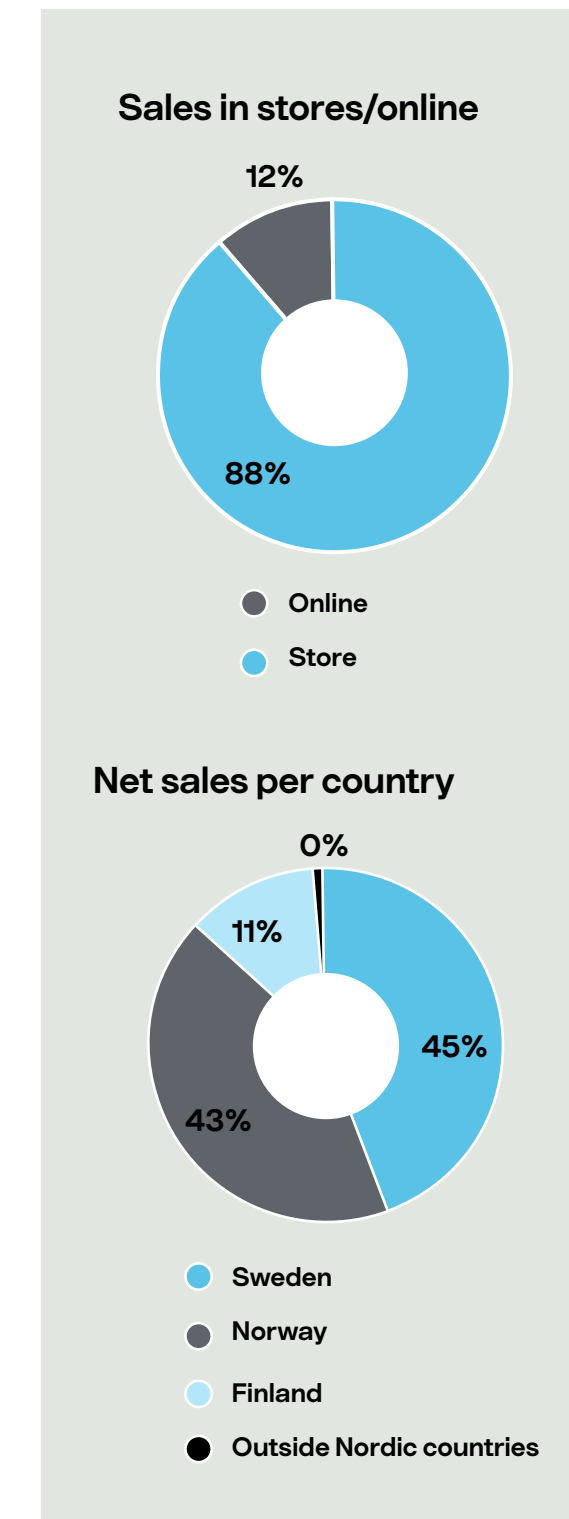
Clas Ohlson was founded in 1918 as a mail order business based in Insjön, Sweden. Today, we are a retail company with customers in three markets, approximately 4,900 co-workers, and annual sales of approximately 9 billion SEK. Clas Ohlson series B shares are listed on Nasdaq Stockholm.

A lot has happened since the start, but one thing has remained the same over the years; that we want to help people fix their homes with practical and sustainable solutions at attractive prices.

Selected Clas Ohlson strengths:

- A relevant home fixing range considered by customers to be attractively priced
- One of the Nordic countries' strongest retail brands
- High availability via an optimal store network and online shopping with flexible delivery solutions. Approximately 200 million customer visits per year
- One of the Nordic countries' largest customer loyalty programmes with over 5 million members
- Service-minded co-workers who provide excellent customer satisfaction

Read more about how we make home fixing available, sustainable and enjoyable for everyone at [about.clasohlson.com](https://www.clasohlson.com).



The year in brief

For Clas Ohlson, the 2022/23 financial year was characterised by an economic climate in which the household budget of customers became increasingly strained and a continued weak SEK led to high sourcing costs and pressure on the gross margin. We have therefore continued to focus on the things we can control ourselves, with everything from affordable and relevant offerings for our customers to reducing our costs through simplified and more efficient ways of working. We have also focused considerably on delivering on our sustainability agenda.

Widespread interest as Clas Ohlson opens new stores



Hundreds of customers queuing for the opening of Clas Ohlson's second store in Linköping.



Huge customer interest when we opened our second store in Vaasa, Finland.

>100 sustainability ambassadors

At the end of the financial year, we had a total of 112 ambassadors. In addition to the entire Group Management team, stores and offices in all countries, the distribution centre in Insjön and our global purchase office are represented.

>5 million Club Clas members

Following strong growth in the financial year, Club Clas achieved the milestone of five million members and is, as such, one of the Nordic countries' largest loyalty programmes. Nine out of ten members are active and they purchase more and more frequently online and in our stores. This provides us with a strong competitive advantage.

Updated strategy

Robust action was taken in 2022/23 to achieve our targets of sustainable and profitable growth. By intensifying focus on growing the core operations with profitability in the home markets of Sweden, Norway and Finland, the company will create value for both customers and owners.

>9 billion SEK
In sales for the 2022/23 financial year

More than five million
Club Clas members in Sweden, Norway and Finland

About 200 million
Annual customer visits in store and online

Best customer service in the retail industry for the fourth consecutive year



Brilliant Awards honours companies in Sweden that have the best customer service in their respective industry. Happy customers are our priority, and Clas Ohlson's customer service has once again shown that our commitment generates results.

Climate neutral in own operations by 2026

Clas Ohlson has a long-term target to be climate neutral across the value chain by 2045 and the company has now supplemented this with an additional target to achieve climate neutrality in its own operations by 2026.



Clas Ohlson received a score of B in CDP's global evaluation of the company's climate efforts for the seventh consecutive year. In March 2023, Clas Ohlson applied to the Science Based Targets initiative.

Key ratios

Financial key ratios	2022/23	2021/22
Sales, MSEK	9,024	8,784
Operating profit, MSEK	305	719
Profit after tax, MSEK	181	523
Gross margin, %	37.5	41.0
Operating margin, %	3.4	8.2
Return on capital employed, %	8.8	17.4
Return on equity, %	10.6	23.3
Cash flow from operating activities, MSEK	941	986
Equity/assets ratio, %	28.1	37.3
Net debt/EBITDA, multiple	1.6	0.9
Net debt/EBITDA, excl. IFRS 16, multiple	0.2	-0.5
Earnings per share before dilution, SEK	2.85	8.25
Sustainability key ratios		
Reduction of carbon emissions in own operations (Scope 1+2), %	-23	-19
Share of own brand products in relation to sales volumes assessed according to PSAM, % of net sales	53	22
Share of suppliers meeting the requirements of the Code of Conduct, %	99.6	99.8
International diversity, %	9	10
Distribution of women and men, all levels, %	47/53	47/53
Distribution of women and men, managers, %	40/60	42/58

Read more about our financial targets and outcomes on page 11 and our sustainability targets and outcomes on page 12.

A stronger Clas Ohlson

We knew that 2022/23 would involve many challenges. However, we were unaware of the extent of high cost inflation, more cautious consumers and global uncertainty. I am therefore very grateful to the entire organisation who have demonstrated flexibility and have proactively worked with the things that we can control ourselves. We have taken many steps towards a stronger Clas Ohlson by taking robust action, for example, in the form of simpler work processes and creating a more efficient organisation that is fully focused on driving growth in our core business.

Even in a declining market, demand persists for need driven products and solutions for organising and fixing at home, which is the core of our offering. As customer needs and preferences have shifted, we have rapidly highlighted the relevant parts of our assortment as requested by customers.

Sales for the full-year exceeded 9 billion SEK for the first time. Profitability declined, mainly as a result of the negative impact of macro factors and non-recurring costs related to a comprehensive review of both IT systems and the organisation.

Focus on costs and profitability

To offset increased costs while creating a platform for long-term growth, we continued to intensify our focus on lowering the cost base and strengthening profitability. Working actively with

both input and output prices is an important element of this. Optimising the product mix is another. From a more long-term perspective, a simpler and more efficient way of working is a necessity in order for us to continue to deliver on our customer promise by offering practical and sustainable solutions at attractive prices. We have initiated two major organisational changes that have led to a reduction of about 160 positions in the total office organisation during the previous and current financial years. The transition is and continues to be far-reaching and demanding, but during this process we have also demonstrated strength as an organisation and the changes are being implemented as guided by our values.

Higher ambitions for sustainable home fixing

We have further enhanced our targets for our already ambitious sustainability endeavours. The long-term target of being climate neutral throughout the value chain by 2045 remains firm and we have also now decided that we are to be climate neutral in our own operations by as early as 2026. In March, Clas Ohlson also applied to the Science Based Targets initiative and efforts to achieve our sustainability targets are continually being carried out in all parts of the company. Regarding the customer offering, which generates the greatest impact, sustainability efforts are linked with demand for the products that help save money, repairing things we already own and energy-smart solutions for the home. We are

meeting increased demand from customers with even more sustainable products, and in 2022/23 we continued to roll out a more comprehensive spare-part assortment in our stores.

Improved availability for our growing customer base

Meeting demand is also about making the assortment available to customers in the best possible way. Following years of various bottlenecks in the global logistics chains, the situation has improved considerably and the continued development of the distribution centre in Insjön has led to higher and more rapid availability of our products.

We firmly believe in the combination of stores and online shopping. The changes that we have implemented provide us with a solid base to build on and we are now looking forward to net opening stores again. We are also continuing to develop fast online shopping deliveries through our store network and online sales for the year increased 9 per cent in an otherwise weak online shopping market. This will also provide us with the confidence to invest in improvements in online shopping and the combination of in-store and online moving forward.

Together with all of Clas Ohlson, I am now looking forward to continuing our work from the healthy position we have created. A lower cost base and continued implementation of the sustainabili-



ty agenda provides us with the best possible conditions to deliver sustainable and profitable growth, attain our long-term targets and, as a result, shareholder value. This is a journey that I am looking forward to!

Kristofer Tonström

President and CEO Insjön, June 2023

Our co-workers as cultural carriers

In times of rapid change and retail uncertainty, the job satisfaction, commitment and ambassadorship of our co-workers is crucial for us to achieve our targets. Our strong corporate culture is a central aspect of our entire operations.

Our co-worker strategy, with a focus on "Happy co-workers", guides us in how we are to prioritise and position ourselves as an employer. Clas Ohlson is to be a sustainable and long-term employer with clear leadership and happy co-workers, reflecting our large customer base. Co-workers who enjoy their work, are happy and committed, stay longer and are our best ambassadors.

We want our leaders to possess the right abilities and tools to be able to develop and retain competent and committed co-workers, while attracting new talent. When we recruit, we seek co-workers who want to be a part of and strengthen our culture and who want to grow with us. Read more on pages 88-90.

One Clas Ohlson

To pass on the spirit and values from our founder to new generations of Clas Ohlson co-workers, we have four short stories explaining the behaviour of Clas Ohlson himself. These stories essentially illustrate who we are, describing how we treat each other and our customers, our approach to making things simple and efficient and about us being curious and forward-leaning. In summary, the stories describe how we act as One Clas Ohlson. Read more on the right.



Customer first

"The customer should be happy with any interaction they have with us," said Clas. Although Clas had many things on his plate, he started every day by answering customer letters. His strong belief was that no matter what you do in the company, the customer and customer experience should always be top of mind. Today, we are the ones putting the customer first.

Keep it simple

Clas never used fancy words and saw no value in making things more complicated than they were. He often asked "how can we make this more simple and efficient? Where can we cut costs to give the customer a better deal?" With that mind-set, he turned a small bicycle repair shop in Insjön into a successful retail business. Today, we are the ones keeping it simple and efficient.

One step ahead

Clas was curious, honest and direct. He did not hesitate to try new ways to stay one step ahead of competition and he expected nothing less from his co-workers. He also knew that out of 100 ideas, only one or two were successful which meant that learning from mistakes, sharing the knowledge, and then trying again was key to win. Today, we are the ones making sure Clas Ohlson is one step ahead.

Welcome home

Each morning, Clas welcomed his co-workers by asking what was going on in their lives and how their work was progressing. He knew that every relationship mattered. Besides making his co-workers feel welcome, he saw great value in getting different perspectives on what the customer wants and how to develop the business. Today we are the ones who make everyone, customers and colleagues, feel welcome.

Customer first

Customer offering

A COMPLETE SOLUTION FOR DIFFERENT CUSTOMER NEEDS



We follow trends and changes in consumer patterns to continuously be able to develop our offering so that it meets customer demands and wishes. We have a broad selection of affordable, relevant and sustainable private label as well as well-known external brands to help and inspire customers to simple home fixing and an organized home.

In addition to the broad product offering, we offer guidance in-store and remotely via telephone, social media and our website. Solving home fixing challenges should be simple and enjoyable. Our popular Clas Fix it service makes it easier for customers to receive home fixing assistance.

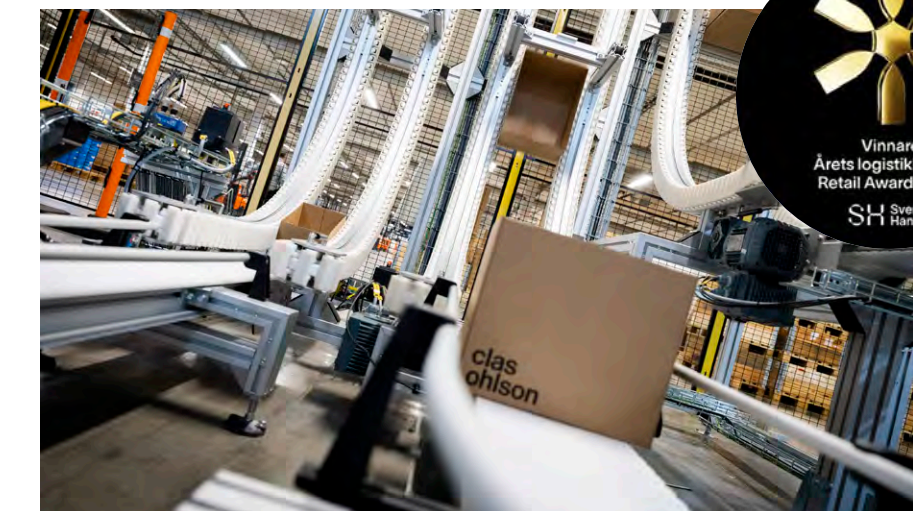
Customer interaction



A world-class customer experience and greater availability of Clas Ohlson's offering is a central part of our strategy for satisfied customers and growth. For us, happy customers go hand in hand with our corporate culture, and we meet our customers with a proactive approach, know-how and commitment regardless of whether it is in store, online, on the phone or in the home. We continually study how our customers perceive us and use this for our continual improvement efforts.

Our co-workers who meet customers every day do a fantastic job of putting the customer first. To consolidate our position as the first choice destination for home fixing and continue to offer customer meetings that exceed our customers' expectations, we are investing in training and designing store space that makes it easier for customers to find what they need.

Efficient logistics



An efficient and sustainable supply chain is an important prerequisite for good customer service and increased sales. Our distribution centre in Insjön, Sweden is the hub where goods from our suppliers are received and stored to be picked and packed to our stores or directly to customers.

Automation helps increase efficiency, scalability and flexibility to ensure the supply chain to our store network and meeting the demands from growing online shopping.

Our stores, and the stores that now also have designated e-com warehouses, are important components in our logistics system and facilitate faster deliveries for many of our online customers regardless of whether they choose to collect in store or have their purchases delivered to the door.

Destination for affordable and sustainable home fixing

In order to be a clear and first choice destination for all home fixers every day of the year, we have defined five clear core categories in which we continually tailor and broaden our offering of affordable and relevant products that meet our customers' needs and drive growth.

The categories comprise organising the home, lighting, solutions for the connected home, an energy-efficient and conscious home environment and classic home fixing using tools and machines.

In addition to these core categories, we are developing our spare-part range since we are witnessing a clear trend of customers wanting to extend the service life of items they already own in the home. This is positive for both household finances and sustainability.

Our ambition is to have a year-round relevant assortment, but we experience a number of clear seasonal variations. The most important of these is the Christmas period in November and December. This means that a key focal point for us is also being the first choice Christmas destination.

We are also constantly broadening our range of consumables that are typically used every day to simplify life for our customers and to capitalise on our loyal customers visiting us more often.



Strategic framework

Clas Ohlson's strategic framework is based on our purpose, mission and corporate culture, which comprise the core of who we are and our path forward. This solid base allows us to formulate concrete goals and decide strategic priorities that govern the best way forward to reach our overall targets.

Strategic decisions are reviewed annually to ensure that we take the right measures to achieve sustainable and profitable growth. Ahead of the 2023/24 financial year, we noted that the retail sector continues to be impacted by the economic climate featuring high inflation. Households are making clear priorities in their purchases with more needs-driven purchasing behaviour and an increasing focus on price. A continuing uncertain geopolitical situation and a difficult macro-economic climate have led to persistent uncertainty. We also need to continue to consider the impact our operations have on the planet, people and society. Our sustainability agenda paves the way for us to achieve our long-term target of being climate neutral by 2045.

Read more on pages 9-10.

Our purpose

To make home fixing available, sustainable and enjoyable for everyone.

Our mission

To help people fix their homes with practical and sustainable solutions at attractive prices.

Our markets

Clas Ohlson's markets are the home fixing markets in Sweden, Norway and Finland.

Our customers

We primarily focus on the B2C customer, but also see the B2B customer as a secondary opportunity.

Our sales channels

Clas Ohlson is a retail company with a focus on affordable and sustainable home fixing. Sales to B2C and B2B customers primarily take place through physical stores and e-com, but also via Clas Fix it.

Our assortment

Important parts of our assortment include lighting, cleaning, organising, home fixing, multimedia, home climate, energy savings as well as consumables and spare parts.

Focus areas for profitable growth



Relevant assortment all year around

Drive profitable growth with five customer missions that build our position as the #1 choice for home fixing.



A growing and profitable online business

Drive profitable growth by developing our online channel and a broader assortment adapted to online customers shopping behaviour.



Expand the store network

Drive profitable growth by opening new stores in the right location at the right cost.



Efficient customer communication

Drive profitable growth via optimised marketing and value creation through Club Clas.

A competitive cost base

Execution on our sustainability agenda

Prioritised sustainability areas



Planet

Enabling a sustainable life for our customers

Our target is to become climate neutral and fully circular by 2045 in our whole value chain. The target for own operations (Scope 1+2) is to be climate neutral by 2026. Read more on pages 80-87.



People

A sustainable long-term employer with happy co-workers

We must be an inclusive organisation with zero tolerance for discrimination, and diversity among our co-workers. A sustainable and long-term employer with happy co-workers. Read more on pages 88-90.



Society

Contributing to a fair and prosperous society for future generations

We are to be a children's rights ambassador and ensure a childhood that is free from abuse and safeguard children's right to a safe home and upbringing and the opportunity for education. Read more on pages 91-93.



Financial targets and outcomes

With stable cash flow and a solid financial position, conditions are being created for sustainable and profitable growth as well as attractive return to shareholders.

Growth

Target:

Sales are to increase organically by 5 per cent per year.

Outcome:

In the 2022/23 financial year, total sales increased 3 per cent to 9,024 MSEK (8,784). Organic sales increased by 1 per cent compared with the preceding year. Online sales increased by 9 per cent to 1,054 MSEK (971).

Profitability

Target:

The operating margin is to amount to between 7-9 per cent per year.

Outcome:

In the 2022/23 financial year, the operating margin was 3.4 per cent (8.2). Excluding non-recurring costs related to the closure of the operations in the UK, disposal of IT systems and organisational changes operating margin was 5.1 per cent.

Financial position

Target:

Net debt in relation to EBITDA, excluding the effect of IFRS 16, to be below two (2) times. Investments are to be made with regards to the company's financial position, cash flow and strategic activities.

Outcome:

In the 2022/23 financial year, excluding the effect of IFRS 16, net debt in relation to EBITDA was 0.2 times (-0.5).

Dividend policy

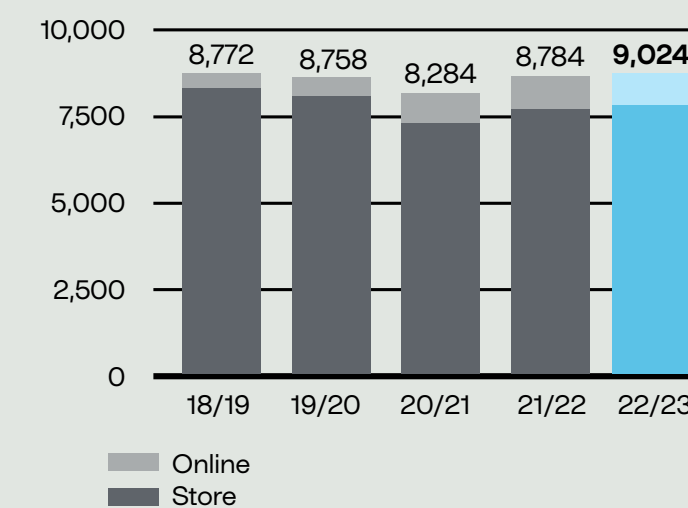
Target:

The dividend is to comprise at least 50 per cent of earnings per share after tax, considering the company's financial position.

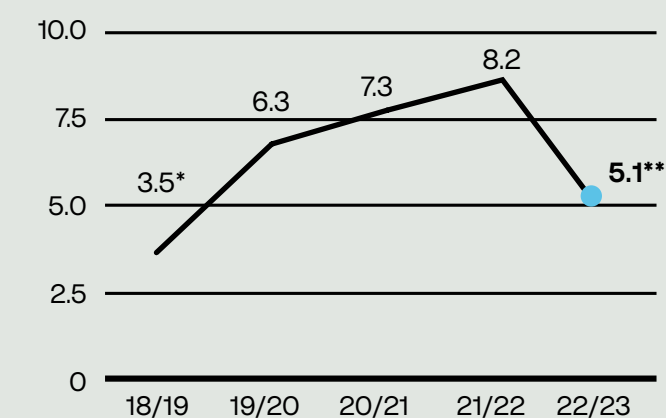
Outcome:

For the 2022/23 financial year, the Board of Directors proposes a dividend of 1.50 SEK per share (6.75). The total dividend for the 2021/22 financial year, including an extra dividend of 6.25 SEK per share, amounted to 13.00 SEK per share. The proposed dividend amounts to a total of 98 MSEK (853), representing 54 per cent (163) of the financial year's profit after tax.

Sales, MSEK

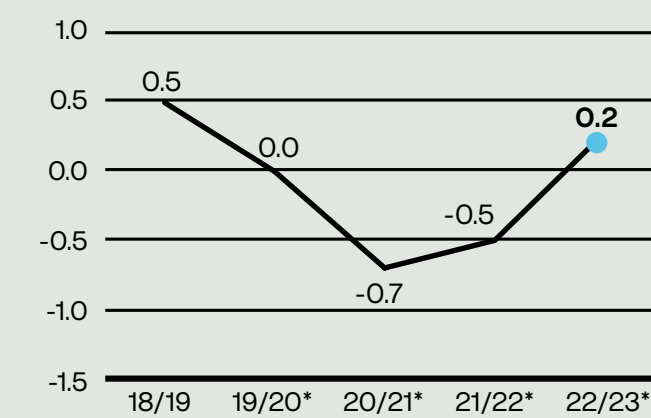


Operating margin, %



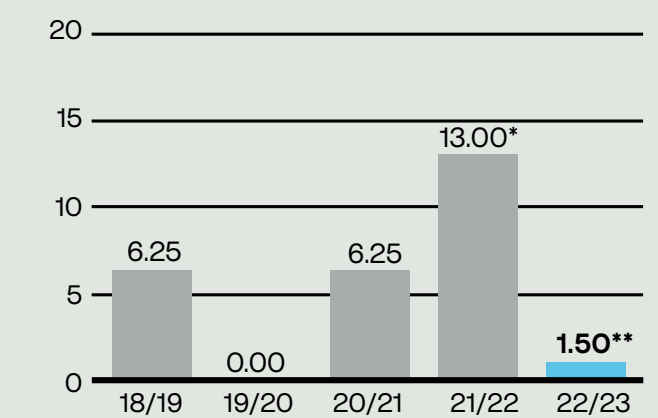
* Excluding non-recurring costs for the closure of the store network outside the Nordic countries.
** Excluding non-recurring costs related to the closure of the operations in the UK, disposal of IT systems and organisational changes.

Net debt/EBITDA, multiple



* Excluding IFRS 16

Dividend per share, SEK



* 6.75 dividend + 6.25 extra dividend
** Proposed dividend

Read more on pages 13-19.

Sustainability targets and outcomes

Following a systematic approach under the framework of our sustainability agenda, we have taken important steps towards achieving our sustainability targets both in the short and long term.

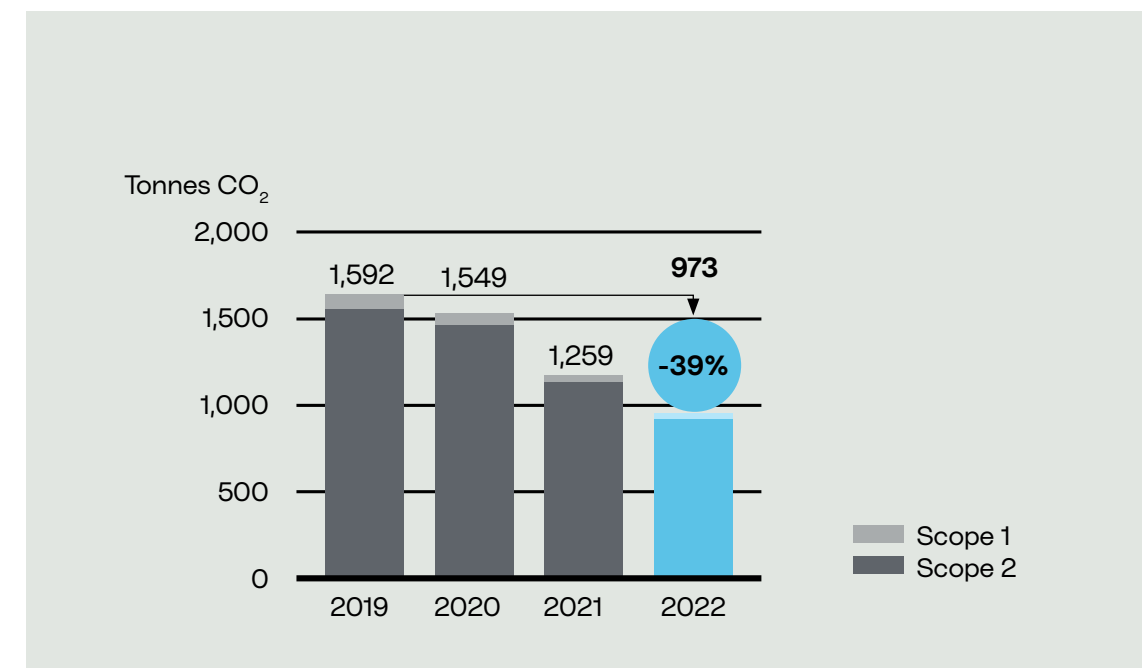
Planet



Climate impact

Target: Climate neutral and circular in our whole value chain by 2045. From 2022/23, we have also had the target of becoming climate neutral in our own operations (Scope 1+2) by 2026.

Outcome: Emissions from own operations (Scope 1+2) declined by 23 per cent for the 2022 calendar year, a reduction of 39 per cent from the base year of 2019.

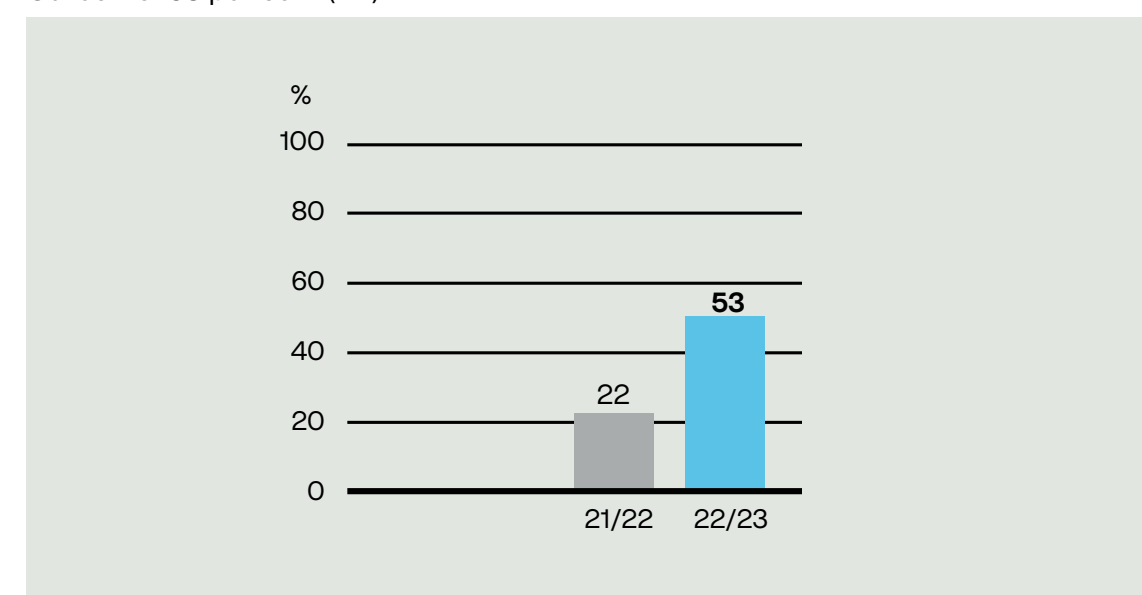


Read more on pages 84-86.

Products

Target: 50 per cent of our own brand products to be assessed and classified based on our product sustainability assessment model (PSAM) at the end of the 2022/23 financial year.

Outcome: 53 per cent (22).



Read more on page 82.

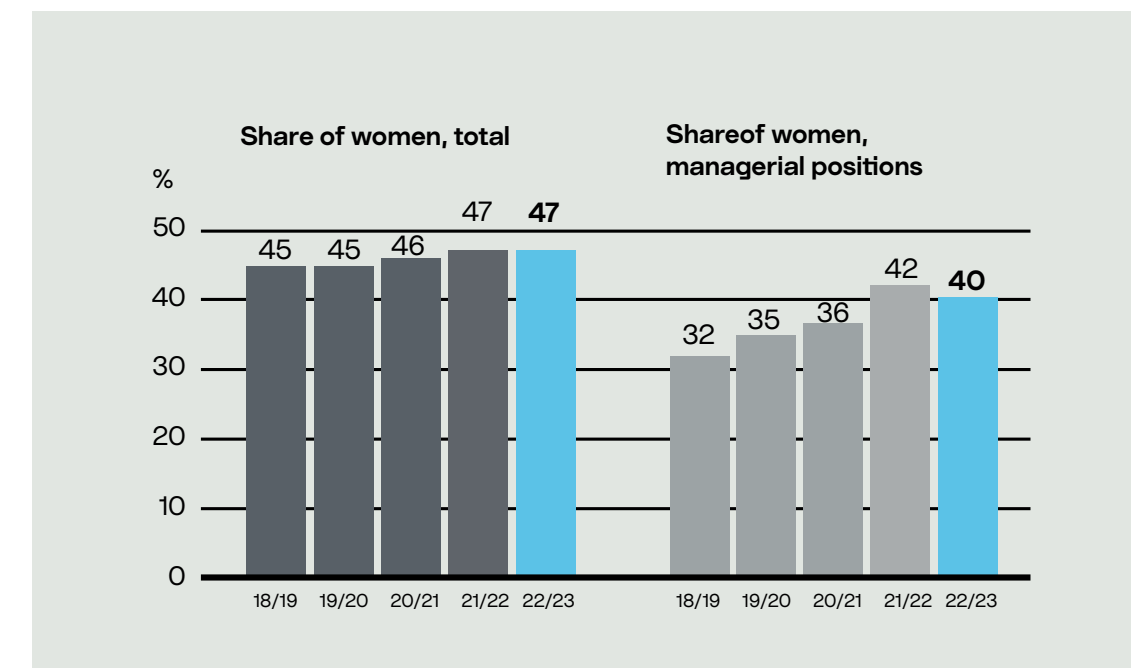
People



Gender equality

Target: Equal distribution between women and men at all levels.

Outcome: 47 per cent women/53 per cent men (47/53).

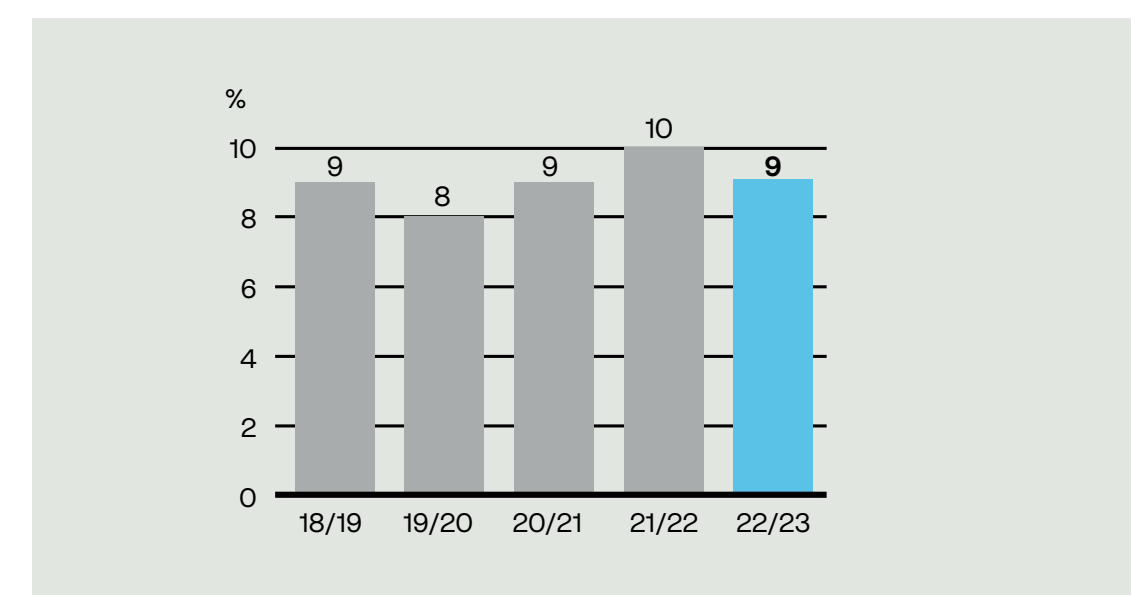


Read more on pages 89-90.

Diversity

Target: 15-20 per cent of our co-workers are to have a background in a different country to the one they currently work in by 2025.

Outcome: 9 per cent (10).



*Measured in the employee survey with the question "Do you work in a different country to the country you were born in?" Read more on page 89.

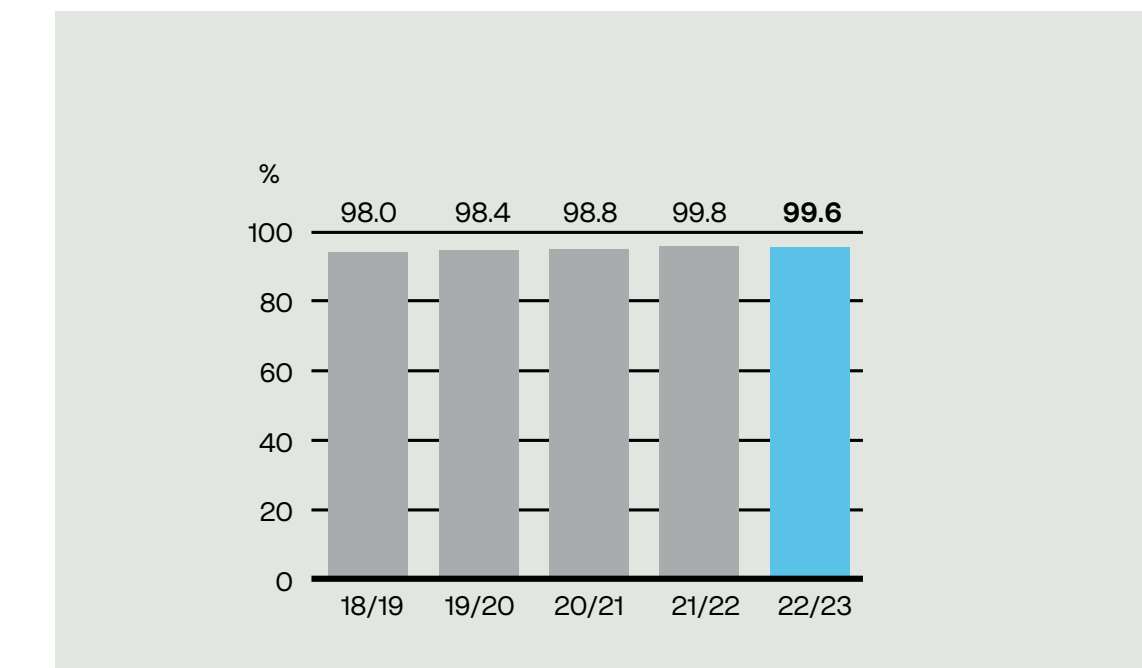
Society



Supply chain

Target: 100 per cent of suppliers are to fulfil the requirements of our Code of Conduct as regards working conditions, human rights and environment.

Outcome: 99.6 per cent (99.8).

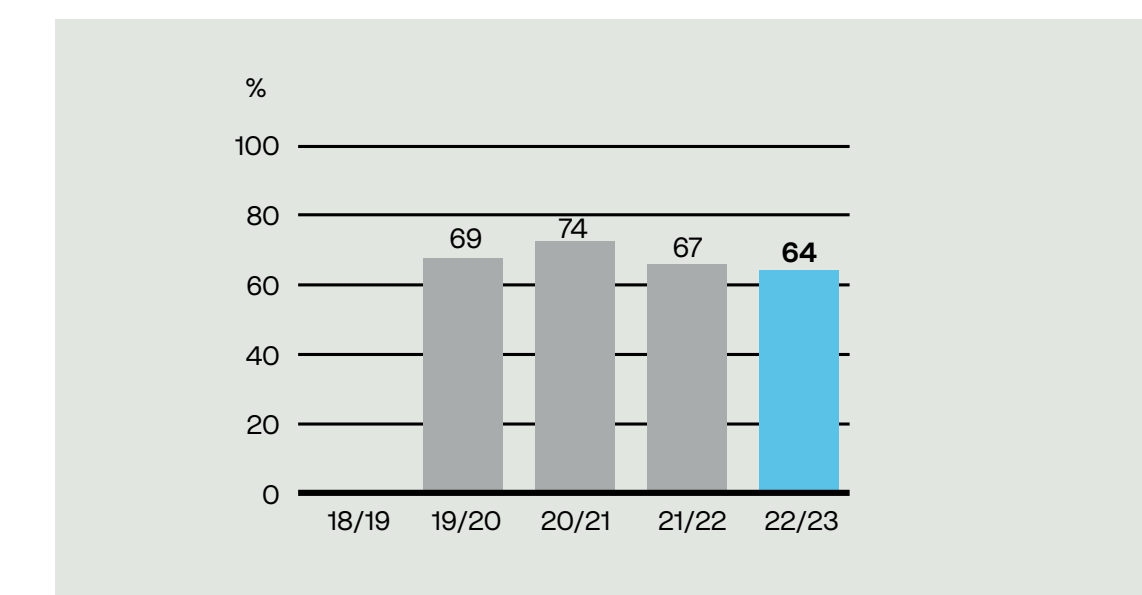


Read more on pages 92-93.

Meaningful and trusted brand

Target: 77 per cent of our co-workers are to believe that Clas Ohlson works in a trusted manner on sustainability.

Outcome: 64 per cent (67).



Read more on page 91.

Contents

Directors' Report	14	Note 25 Securities held as fixed assets	61
Risks and uncertainties	20	Note 26 Appropriations	61
Chairman's letter	25	Note 27 Cash and bank balances	61
Corporate governance	26	Note 28 Untaxed reserves	61
Board of Directors	31	Note 29 Pledged assets	61
Group Management	33	Note 30 Leases	62
		Note 31 Related-party transactions	63
Consolidated financial statements	36	Note 32 Average numbers of employees	63
Parent Company financial statements	40	Note 33 Segment reporting	63
		Note 34 Events after the end of the year	63
Notes		Certification of the Annual Report	64
Note 1 Accounting and valuation policies	44	Auditor's report	65
Note 2 Financial risks	50	Quarterly results	68
Note 3 Other operating income and expenses	51	Key ratio definitions	68
Note 4 Depreciation	51	Glossary	69
Note 5 Expenses by type of cost	51	Alternative performance measures	70
Note 6 Personnel expenses	52	Ten-year overview	73
Note 7 Remuneration to auditors	55	Sustainability information	74
Note 8 Financial income and expenses	55	Store overview	99
Note 9 Income tax	55	The share and shareholders	100
Note 10 Earnings per share	56	Annual General Meeting	102
Note 11 Dividend per share	56	History	103
Note 12 Non-current assets	56		
Note 13 Inventories	57		
Note 14 Accounts receivable	57		
Note 15 Prepaid expenses and accrued income	57		
Note 16 Cash and cash equivalents	57		
Note 17 Forward contracts	58		
Note 18 Proposed allocation of earnings and Equity	58		
Note 19 Pension obligations	58		
Note 20 Financial instruments	59		
Note 21 Accrued expenses and prepaid income	60		
Note 22 Contract liabilities	60		
Note 23 Inter-Group transactions	60		
Note 24 Participations in Group companies	60		

Directors' Report

The Board of Directors and Chief Executive Officer of Clas Ohlson AB (publ), with registered office and head office in Insjön, in the Municipality of Leksand, Sweden, hereby present the annual accounts for the financial year 1 May 2022 to 30 April 2023. Unless otherwise stated, the figures relate to the Group. Figures in parenthesis pertain to the preceding year. All figures are stated in millions of Swedish kronor (MSEK) unless otherwise stated.

Operations

Clas Ohlson aspires to make home fixing available, sustainable and enjoyable for everyone by helping people fix their homes with practical and sustainable solutions at attractive prices. The customer offering comprises a base of hardware, electrical, multimedia, home and leisure products as well as a supplementary offering of services that simplify customers' daily lives at home. Operations are conducted in Sweden, Norway and Finland via stores and online shopping, and via purchase offices in China, Poland and Vietnam.

The product range includes approximately 15,000 items that are purchased from a large number of suppliers in some 30 countries. The products are delivered to the distribution centre in Insjön, Sweden, and from there are distributed via stores, or via e-com orders directly to the customers. Clas Ohlson's ongoing review of the store network takes into consideration the market conditions, new customer behaviour patterns, demand projections and contracts signed with property owners. Geographic location, testing new store concepts and store sizes are continuously assessed and reviewed. The number of stores at the end of the financial year was 222, of which 93 were in Sweden, 92 in Norway and 37 in Finland. Compared with the end of the preceding financial year, the store network has decreased by seven stores (increased by one store last year). The number of contracted forthcoming store openings is two.

Significant events during the financial year

The 2022/23 financial year continued to be characterised by market volatility and fluctuations in the economic climate, which combined with continuing geopolitical uncertainty resulted in a challenging and unpredictable market

climate. A challenge that has prompted Clas Ohlson to make new improvements to create even more flexibility in the short term and more resilience in the long term.

Following a record strong year in 2021/22, it can be concluded that the investments in the first quarter of 2022/23 did not meet expectations. The summer season picked up later than anticipated and was weaker than in the preceding year. However, at the end of the second quarter, sales returned to the same total sales levels as at the same point in time in the year before. When the all-important third quarter commenced, which included the Christmas shopping period, it resulted in a positive sales trend that continued into January. A renewed focus on the customer offering and meeting in the fourth quarter was successful in converting healthy customer traffic both in stores and online in a challenging retail climate. This resulted in a positive sales trend for the final quarter.

Challenges with the gross margin continued during the financial year, primarily impacted by three major macro factors. High sourcing costs related to purchasing and transport costs, a weak SEK and a softer market climate all negatively affected the gross margin to varying extents during the financial year. However, global transportation prices quickly returned to normal during the year, although the uncertain economic situation and cost inflation have meant maintaining an intense focus on making processes efficient and reducing costs. As part of these efforts, the UK operations were closed at the start of the financial year, enabling us to focus more intently on the Nordic home markets. A decision was also made to reduce office personnel by about 85 full-time employees and to streamline and review IT systems to better align with the strategy and simplified work processes. The measures initiated are

expected to deliver cost savings and reduced depreciation totalling approximately 110 MSEK with full effect in the 2023/24 financial year. In the short-term perspective, this entailed non-recurring costs of approximately 119 MSEK that were recognised in the third quarter of 2022/23. All of these measures aim to defend Clas Ohlson's price position and strengthen Clas Ohlson, providing the company with greater flexibility and ensuring that it is first choice destination for home fixing in all situations.

Another example is how a more cost-efficient organisation has broadened its purchasing to more manufacturing markets. This work has presented even better opportunities to offer the right quality and price to customers in the future. There is also further potential for more efficient inventory management moving forward given the major disruptions to the global logistics chains during the pandemic have been put to end.

Optimising the store network is continuing under the framework of the growth strategy. Nine stores were closed during the year and in the months ahead another store in Sweden will be closed, in areas where we cannot see that the right conditions for profitable operations. At the same time, we also increased our footprint with two stores in very attractive locations in Linköping in Sweden and Vaasa in Finland.

Even higher capacity was provided during the financial year to provide quick and flexible deliveries for online shopping customers in Norway by adding Instabox as a delivery option and with a new partnership with Bring for deliveries from our in-store e-com warehouses.

The Club Clas loyalty programme reached a new milestone having now surpassed five million members. Nine out of ten of these members are active and the most loyal of these currently account for the largest portion of our profitability and growth. Finland saw a strong membership inflow, with the number of active members increasing by over 50 per cent during the financial year as part of the growth plan.

Sales and profits

Sales increased 3 per cent to 9,024 MSEK (8,784). Organic sales increased by 1 per cent compared with the preceding year. Online sales increased by 9 per cent to 1,054 MSEK (971). The store network was reduced by a net of seven stores during the financial year (a net increase of one store in the previous year).

Sales were distributed as follows:

Sales areas (MSEK)				
Countries	2022/23	2021/22	Percentage change	Percentage change, organic
Sweden	4,088	3,982	3	3
Norway	3,889	3,780	3	1
Finland	1,035	966	7	1
Outside Nordic Countries	13	56	-	-
Total	9,024	8,784	3	1
Of which, online sales	1,054	971	9	7

Distribution of sales increase

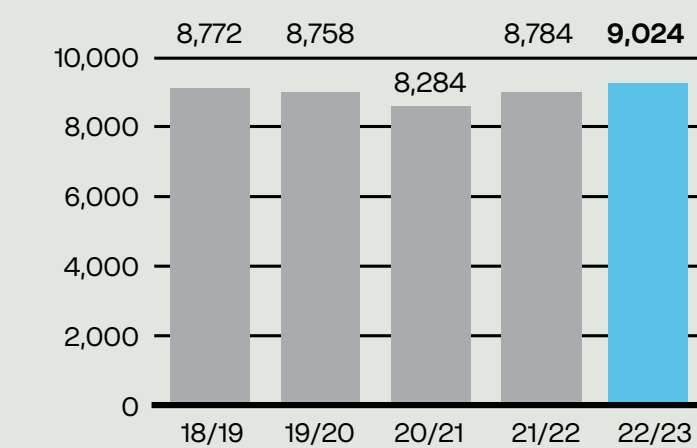
Organic growth	1%
Exchange-rate effects	2%
Total	3%

The gross margin fell by 3.5 percentage points to 37.5 per cent (41.0). The main reason is a result of macro-related factors such as increased sourcing costs and an overall negative currency effect during the period.

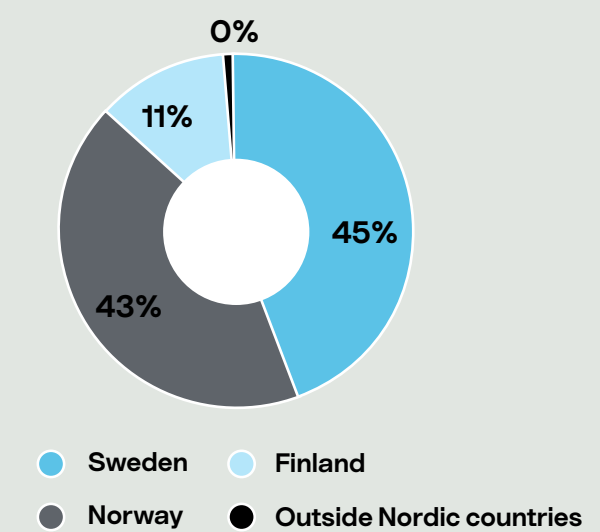
The share of selling expenses declined by 0.6 of a percentage point to 30.2 per cent (30.8). The share declined mainly as a result of higher sales.

Administrative expenses declined compared with the preceding year and amounted to -185 MSEK (-200). There was a continued major focus on costs.

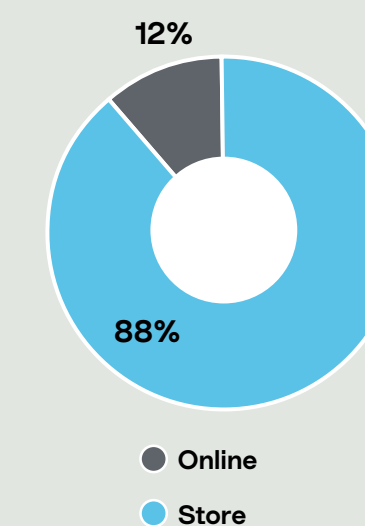
Sales, MSEK



Net sales per country



Sales in stores/online



Operating profit amounted to 305 MSEK (719). Excluding previously announced non-recurring costs of 119 MSEK and costs for the closure of operations in the UK, operating profit totalled 459 MSEK. The cost of the closure of the remaining operations in the UK, which was charged to the first quarter, amounted to approximately 35 MSEK.

In the previous year, the company received 25 MSEK as a non-recurring payment from Fora relating to the surplus within the collectively agreed AGS health insurance. The operating margin was 3.4 per cent (8.2). Profit after financial items totalled 242 MSEK (656). Depreciation for the period amounted to 773 MSEK (753).

Spot exchange rates for key currencies averaged 1.04 for NOK and 10.45 for USD, compared with 1.02 and 8.90, respectively, in the year-earlier period. Currency hedging was undertaken in USD and NOK. Currency hedging that fell due during the period had a negative impact of 2 MSEK (NOK) on earnings and a positive impact on inventory value through a decrease of 57 MSEK (USD). The company's policy is to hedge 50 per cent of the expected flow in each currency continuously, with three- to nine-month maturities.

Prospects for the next financial year

The uncertain market climate and future economic outlook continue to represent the main uncertainty factors and present challenges for the operations in the financial year ahead. Fluctuations in the currency market and the major transformation in the retail sector are also having an effect.

Clas Ohlson will continue to simplify and streamline the organisation. Within the context of this, the company will reduce the workforce by approximately an additional

75 full-time office employees. Furthermore, as previously announced, the company's IT landscape was evaluated during spring 2023 and was essentially completed by the start of the current financial year. With a more efficient organisation, a more simple way of working and a strategic direction on lowering IT costs, the company sees opportunities to consolidate and phase out additional IT systems that do not sufficiently support the business moving forward. The measures will gradually deliver additional cost savings and reduced depreciation totalling approximately 100 MSEK on an annual basis. The measures also entail non-recurring costs of approximately 180 MSEK, of which about 165 MSEK is expected to be recognised in the first quarter of 2023/24. These non-recurring costs comprise approximately 150 MSEK of impairment of IT systems and the remaining approximately 30 MSEK is primarily costs for headcount reductions. The costs above will have a minor impact on cash flow.

With a strong brand coupled with a more competitive cost base, work on the product range will remain a priority. Additional growth potential is also expected from leveraging a more tailored range and developed coordination between stores and online to drive up sales in both channels. The sales trend in comparable units was positive and there is a potential to continue to drive growth with new stores. A more constructive dialogue with property owners and a more streamlined and efficient office organisation also create conditions for proper profitability and attractive store locations in all markets. Leases have been signed for two new stores and plans are being made to expand the store network by approximately a net total of ten stores during the financial year.

Investments

Investments during the financial year amounted to 123 MSEK (158). Of this amount, investments in new or refurb-

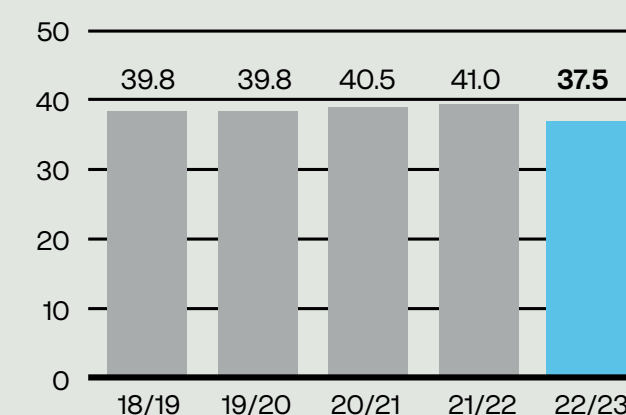
ished stores accounted for 41 MSEK (62). Investments in IT systems for the period amounted to 36 MSEK (53). The shares in Mathem were measured at fair value amounting to 9 MSEK, a decrease of 149 MSEK during the financial year.

Financing and liquidity

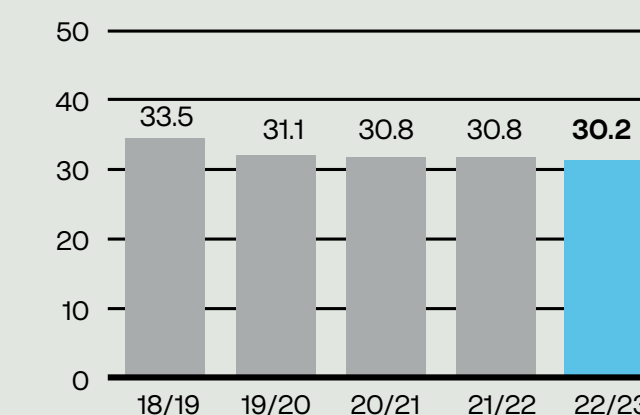
Cash flow from operating activities during the financial year totalled 941 MSEK (986). Cash flow for the period after investing and financing activities was -311 MSEK (-81). The dividend was paid out in two separate payments of 6.50 SEK per share each (September and January). Payments were made during the financial year of 824 MSEK.

The average 12-month value of inventories was 2,397 MSEK (1,986). Over a rolling 12-month period, the stock turnover rate at the distribution centre was 4.5 times (5.5).

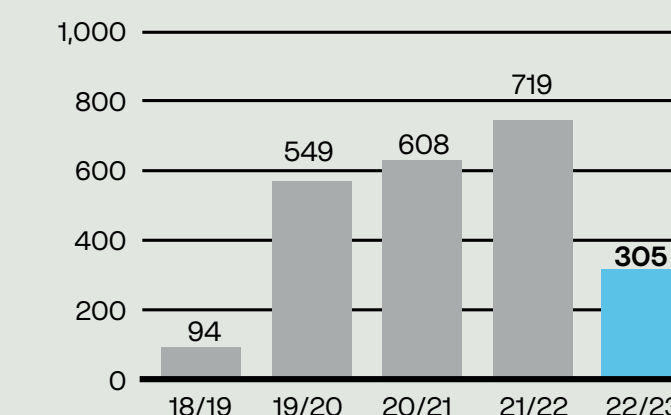
Gross margin, %



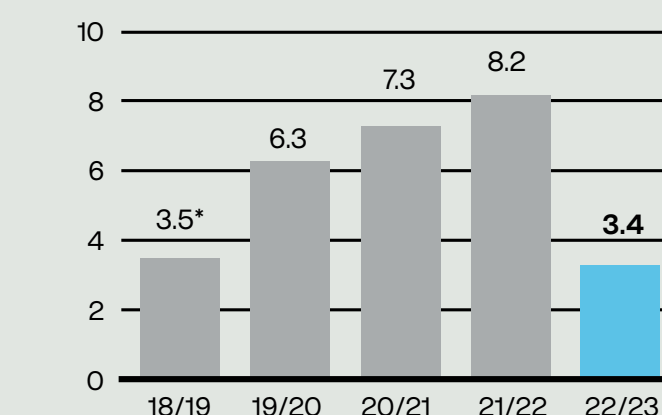
Share of selling expenses, %



Operating profit, MSEK



Operating margin, %



* Excluding non-recurring costs for the closure of the store network outside the Nordic countries.

At the end of the period, the value of inventories was 2,177 MSEK (2,199). During the current financial year, the inventory value was impacted by external factors, such as increased costs for the purchase of products related to such factors as a weaker SEK in relation to the purchasing currency (USD) and higher costs for incoming transports.

The Group's net debt at the end of the period, meaning interest-bearing liabilities less cash and cash equivalents, amounted to 1,734 MSEK (1,333). Excluding the effect of IFRS 16, net debt in relation to EBITDA was 0.2 times (-0.5), which is in accordance with the company's financial framework. Credits granted and loan commitments amounted to 800 MSEK, of which 244 MSEK had been utilised at the end of the year. The company's financial position remains strong. The equity/assets ratio was 28 per cent (37).

The share and share capital

Clas Ohlson series B shares are listed on Nasdaq Stockholm. The share capital totals 82 MSEK, comprising 5,760,000 series A shares and 59,840,000 series B shares, each with a quotient value of 1.25. Each series A share carries ten votes, while each series B share carries one vote. All shares carry equal rights to payment of dividends. Holders of series A shares can request that their A shares be converted to series B shares. The share capital is unchanged compared with the preceding year.

On 30 April 2023, the company had a total of 47,109* shareholders, compared with 40,437 on 30 April 2022. The 15 largest shareholders at that time held 61.5 per cent of the capital and 78.5 per cent of the votes. For a summary, see page 101.

The Articles of Association contains no post-sale purchase rights clause or other restrictions for the transferability of series B shares. Apart from authorisation pertaining to the repurchase of shares stated on page 55, there are no other circumstances of the kinds the company is obligated to disclose under the provisions of Chapter 6, Section 2a (4-11) of the Annual Accounts Act. The number of registered shares is 65,600,000 (5,760,000 series A shares and 59,840,000 series B shares), unchanged compared with the preceding year. On 30 April 2023, the company held 2,243,435 shares (2,243,435), corresponding to 3.4 per cent of the total number of registered shares. At the end of the period, the number of shares outstanding, net after buyback, was 63,356,565 (63,356,565). The entire LTI 2022 undertaking has been secured by using shares that were bought back to secure previous LTI programmes where the need has been recalculated (no buy-back in the preceding year).

Employees

The number of employees in the Group was approximately 4,900. Recalculated to average full-time equivalents (FTEs), this corresponds to an average of 3,128 (3,147). Further information about employees is found in Notes 6 and 32 in the Annual Report.

Social responsibility

Clas Ohlson works continuously on its social responsibility, including following up our Code of Conduct and Code of Business Ethics. A more detailed description of Clas Ohlson's work on its Code of Conduct is provided on pages 91-93. The company also assumes its social responsibility as regards the rights of children, for example, through its

partnerships with the World Childhood Foundation and its involvement with the Clas Ohlson Foundation.

Environmental impact

The company has a duty of notification with respect to activities relating to the temporary storage of electronic waste. This duty of notification applies to any Swedish municipality in which Clas Ohlson has a store. The company does not otherwise have any operations for which there is a duty of notification or for which it is mandatory to obtain a permit under the Environmental Code. In Sweden, the company partners with the nationwide EI-Kretsen service company in order to fulfil its manufacturer responsibility for the collection and recycling of electrical products and batteries. The company is a member of FTI for recycling packaging and newspapers. In Norway, the company is affiliated to the recycling organisations RENAS (electronics), Batteriretur (batteries) and Grønt Punkt (packaging). The same form of partnerships are in place in Finland with SERTY (electronics and batteries) and Rinki (packaging).

Clas Ohlson's overall target is to become climate neutral and fully circular by 2045. The sub-target of the company's own operations (Scope 1 and 2) being climate neutral by 2026 was also set during the financial year. Clas Ohlson's environmental impact is mainly associated with the goods manufacturing, transportation, sales of these and customers' use of products. For this reason, important work is being conducted across the Group to develop the entire range to incorporate a larger share of products with a lower climate impact (in terms of design, choice of materials, manufacturing, function, etc.), to improve transportation efficiency and energy efficiency in stores and to help

customers to live more sustainably. The company has reported under Scope 1 and 2 (own operations) and parts of Scope 3 (transportation, business travel, waste, purchased cloud services and upstream emissions from fuel for electricity, heating and vehicles). Scope 1 and 2 GHG emissions were reduced by 23 per cent during the financial year.

Clas Ohlson has reported its emissions in accordance with the GHG Protocol to CDP Climate Change since 2015 and advanced from C to B. During the financial year, Clas Ohlson applied to the Science Based Targets initiative, which entails a commitment to reduce emissions following climate science.

Sustainability information is described in the sustainability report on pages 74-98.

Guidelines for remuneration of senior management

The following principles were adopted by the Annual General Meeting. The principles were updated to comply with the amendments to the Swedish Companies Act. The general principles of remuneration of senior management are to be based on the position held, individual performance, the Group's financial results and the remuneration being competitive in the country of employment. The combined remuneration of senior management is to consist of basic salary, variable salary in the form of a short-term incentive based on annual performance targets, long-term incentives based on multi-year performance, pension and other benefits. In addition, notice of termination and severance pay are subject to terms and conditions.

* Source: Monitor by Modular Finance AB. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish FSA.

Clas Ohlson aims to offer a competitive total level of remuneration, focusing on payments based on performance. The objective is that the fixed annual basic salary will be on par with or around that of the competitive market. When Clas Ohlson achieves or exceeds the established performance targets, the total remuneration is to be on par with or around the upper quartile of the competitive market. This means that the variable remuneration may comprise a significant portion of the total remuneration.

Basic salary

The basic salary shall constitute the basis for total remuneration. The salary is to be related to the relevant market and reflect the extent of the responsibilities included in the position. The development of basic salary is to depend on how well work is performed and how well the employees develop their expertise to assume future work assignments involving greater responsibility. The basic salary is to be reviewed annually to ensure that it is market-based and competitive.

Variable remuneration (Short Term Incentive, STI)

In addition to basic salary, senior management are to qualify for STI for performance that exceeds one or several predetermined performance levels during a financial year, designed to promote the company's long-term value creation. Clearly defined performance targets are to be decided annually by the Board or by individuals elected by the Board. The performance targets are to be predetermined and measurable, and can be financial, non-financial or individually customised objectives and are to support long-

term shareholder value. Variable cash remuneration shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

Remuneration from the STI programme is subject to a ceiling, which means that Clas Ohlson can calculate maximum remuneration levels from the beginning. Insofar as performance does not match the lowest performance level, no STI will be paid. STIs depend on the position held and may not exceed 60 per cent of salary if the ceiling is achieved, which also represents the maximum outcome of STI. STI remuneration is also conditional upon the performance on which earnings are based being sustainable over time, and that Clas Ohlson is able to reclaim such remuneration that was paid due to information that later turned out to be obviously erroneous.

Payment of remuneration from the STI programme may also be combined with requirements for a minimum holding of shares.

Long-term incentive, LTI

The aim of LTI programmes is to create the prerequisites for attracting and retaining employees in the Group. The programmes were designed to encourage participants to become shareholders in the company, which is expected to have a positive impact on their long-term work performance. Connecting participants' rewards to the company's profit and value development will continue to promote company loyalty and thus sustainable value growth in the company.

Long-term incentive programmes that entitle employees to acquire shares are subject to AGM approval. The performance period for LTI 2020, LTI 2021 and LTI 2022 were in effect during the financial year. The performance period for LTI 2020 was concluded after the close of the financial year. LTI 2020 incentive programme is a share matching and profit-based employee stock option plan, while LTI 2021 and LTI 2022 is performance-based. The Board of Directors annually evaluates whether long-term incentive programmes will be proposed at future AGMs.

Pension

Pension agreements will, if possible, be defined-contribution and formulated in accordance with levels and practices applicable in the country in which the senior manager is employed.

Other benefits

Other benefits may occur in accordance with the terms applicable in the country in which the senior manager is employed. However, such benefits may not constitute a major portion of the combined remuneration. Medical insurance is to be offered to senior management.

Period of notice and severance pay

Senior management will be offered terms in accordance with the legislation and practices applicable to the country in which the person concerned is employed. A senior manager will be prevented from working in a competing business during the period of notice. In certain cases,

prohibition of competition in return for continued remuneration may be applied for a maximum period of 24 months following expiry of the period of notice.

Authorisation for the Board to depart from the guidelines

The Board may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. For more information about remuneration, see Note 6.

Parent Company

Parent Company sales for the financial year amounted to 7,425 MSEK (7,187) and profit after financial items totalled 165 MSEK (604). Investments for the period amounted to 85 MSEK (99). Contingent liabilities for the Parent Company amounted to 163 MSEK (189).

Events after the end of the year

The qualification and performance periods for LTI 2020 ran from 1 May 2020 until 30 April 2023. After the end of the reporting period, a total of 724 shares were allotted on 2 May in accordance with the AGM's resolution regarding share matching of one share per share purchased to those participants who remained employed after the three-year qualification period.

The established performance criteria regarding average sales growth and increased earnings per share for the period 2020-2023 were not achieved, meaning that no options were allotted to the participants and, accordingly, the LTI 2020 has been concluded.

Clas Ohlson will continue to simplify and streamline the organisation. Within the context of this, the company will reduce the workforce by approximately an additional 75 full-time office employees. The previously announced evaluation of the company's IT landscape continued and was essentially completed after the end of the financial year. With a more efficient organisation, a more simple way of working and a strategic direction on lowering IT costs, the company sees opportunities to consolidate and phase out additional IT systems that do not sufficiently support the business moving forward.

The measures will gradually deliver additional cost savings and reduced depreciation totalling approximately 100 MSEK on an annual basis. The measures also entail non-recurring costs of approximately 180 MSEK, of which about 165 MSEK is expected to be recognised in the first quarter of 2023/24. These non-recurring costs comprise approximately 150 MSEK of impairment of IT systems and the remaining approximately 30 MSEK is primarily costs for headcount reductions. The costs above will have a minor impact on cash flow.

Dividend

Clas Ohlson's dividend policy is that the dividend is to comprise at least 50 per cent of earnings per share after tax, taking into account the company's financial position.

The Board of Directors proposes that a dividend of SEK 1.50 per share be paid for the 2022/23 financial year. It is proposed that payment be made in September. The proposed dividend totals 98 MSEK, which represents 54 per cent of profit after tax for the financial year.

Proposed allocation of earnings

The following earnings (TSEK) are at the disposal of the Annual General Meeting:

Profit brought forward	271,002
Fair value fund	-242,875
Profit for the year	291,296
Total	319,423

The Board proposes that profit be allocated as follows:

Dividend payable to shareholders 1.50 SEK per share	98,400 ¹
To be carried forward	221,023
Total	319,423

¹Dividends are based on the number of shares outstanding on the record date.

The proposed record date for the payment is 12 September 2023. It is anticipated that the dividend resolved by the AGM will be distributed on 15 September 2023.

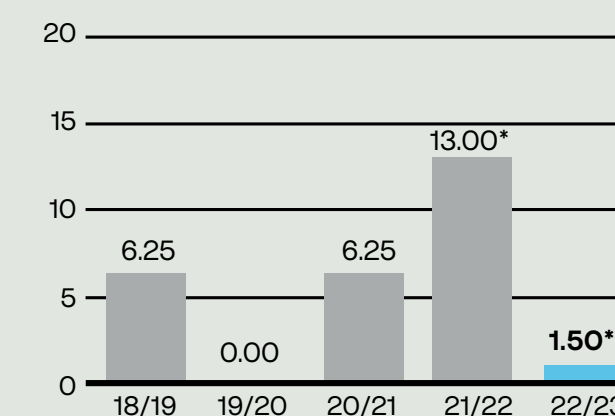
With reference to the information presented above and what has otherwise come to the knowledge of the Board, the view of the Board is as follows: A comprehensive assessment of the financial position of the Parent Company and Group indicates that the dividend is justifiable with reference to the demands made by the nature, size and risks of the operation on the equity and liquidity of the Parent Company and Group. The Group's equity/assets ratio is 28.1 per cent before payment of the dividend and 26.2 per cent after payment of the dividend. This is deemed to be an adequate equity/assets ratio.

For information regarding the company's earnings and position in other respects, refer to the following income statements and balance sheets and the accompanying notes to the accounts.

Annual General Meeting

The Board of Directors intends to convene an Annual General Meeting with the physical presence of shareholders, proxies and members of the public on Friday, 8 September 2023. The Board of Directors has resolved that shareholders who wish to do so may exercise their right to vote at the Annual General Meeting via advanced voting (postal voting) in accordance with the provisions of the Articles of Association. For more information, visit <https://about.clasohlson.com/en/investors/general-meeting/annual-general-meeting-2023/>. Further information will be provided in the notice of the AGM.

Dividend per share, SEK



* 6.75 dividend + 6.25 extra dividend

** Proposed dividend

Risks and uncertainties

To develop an attractive and relevant customer offering and to ensure our future competitiveness, we must understand how our business environment is changing. The operations conducted entail risks that could negatively impact the Group to varying extents. These risks can be divided into strategic, operational, financial and sustainability risks. The Group's risk scenario can change quickly, and we work continually to update the risk situation and to ensure quick, efficient risk management.

Strategic, operational, including sustainability risks and financial risks impact our opportunities for achieving our strategic and business-related goals. Creating awareness of the risks in the operations means they can be controlled, limited and managed correctly and thus converted into a strategic opportunity for the business. When managed correctly, risks may lead to opportunities and add value to the business.

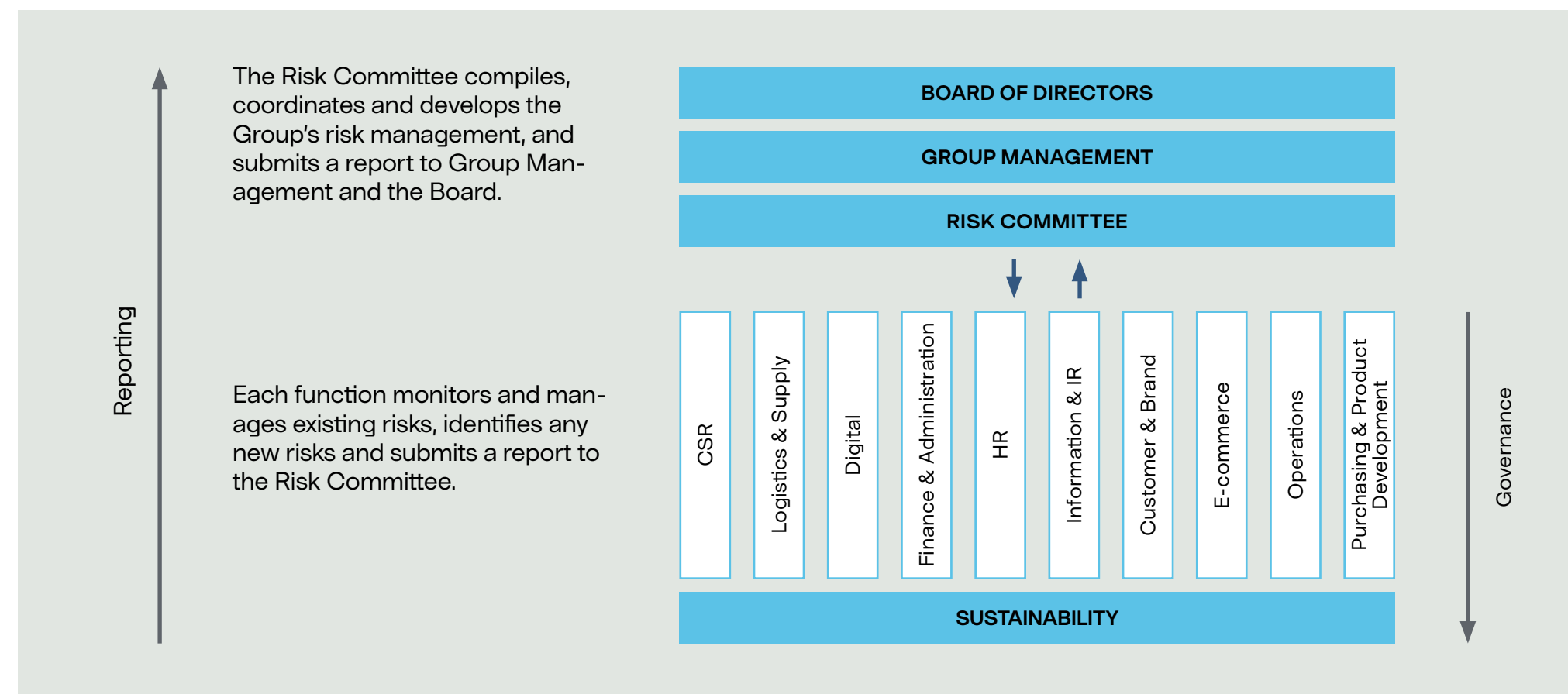
Risk management process

Clas Ohlson works continuously to update the Group's risk exposure through a systematic process in which risks are identified, evaluated, managed and reported. Priority is assigned to the risks assessed as having the greatest negative impact in terms of probability and conceivable effects on operations. Classification is also made on the basis of how well the implemented countermeasures correspond with the desired level. This work is performed in each func-

tion based on the composition of Group Management. Internal reports on measures implemented and changes in risk assessments are issued twice a year and on a continuous basis when necessary. The effects of increased market volatility have led to a need to continuously follow up and analyse the Group's risk status. The risks are compiled in risk maps to clarify overall exposure and the measures to be prioritised. Maps are compiled at Group level and are a key component of the company management's and the Board's strategic and operational governance.

Clas Ohlson's Risk Committee performs the work involved in compiling, coordinating and developing risk management, and is then adopted by Group Management and the Board. The operations are impacted by rapid changes, and these efforts remain a high priority as the company continues to grow and develop.

Risk management



Risk map (example)



Strategic risks

The purpose of strategic risks is to ensure that the company's business model meets the needs and demands of customers and other stakeholders in both the short and the long term, and that the company works within environmental, ethical and regulatory limits. In addition, strategic risks are intended to indicate changes in the business environment with potentially significant effects on Clas Ohlson's operations and business goals. Risks of a strategic nature primarily comprise risks associated with changes in the business environment and global events, such as global risks that the company cannot control: war, disasters, pandemics, etc., increased competition, shifts in technology and in customers' purchasing patterns. Other strategic risks derive from market positioning, product range and offering as well as sustainability in its broadest meaning.

Operational risks

Operational risks are directly attributable to business operations with a potential impact on earnings and the financial

position. Operational risks can normally be influenced and are often linked to the organisation's processes, working methods and skills. Operational risks are mainly risks associated with purchasing of products, sustainability, IT systems, logistics, key individuals, leases, shrinkage and regulatory risks.

During the financial year, the continued impact of risks related to external circumstances – such as the war in Ukraine, high transport and energy costs, and rising inflation – was observed. This in turn impacted the operations and the operational risks to varying degrees.

Financial risks

Financial risks are risks with a potential impact on earnings and the financial position. Risks of a financial nature consist primarily of risks associated with changes in the economy, currency exposure, transport costs, raw material prices and wage inflation.

Currencies, currency hedging and currency fluctuations

The company's currency exposure is high, primarily due to sales in Norway and the Group's purchasing. About 50 per cent of the company's purchases are made in currencies other than SEK. The table on the right shows how earnings are impacted by changes in currencies, excluding hedging.

Futures hedging is performed monthly in USD and NOK, with a maturity of three to nine months, against half of the expected flow in each currency. In this way, the company is guaranteed the forward rate on a major proportion of its currency exchanges, but also has the opportunity/risk of making the remaining payments at the prevailing rate.

Sustainability risks

Clas Ohlson's business model constitutes a potential negative impact on people, the environment and society. Even if some of these risks lie outside Clas Ohlson's direct operations, the consequences of not addressing them

could impact Clas Ohlson's reputation as a meaningful and trusted brand and company. They can also impact the confidence that co-workers, owners, customers and other stakeholders have in the operations, impact the company's market position, disrupt production and deliveries, result in unforeseen costs and cause violations of the law. Identifying and managing environmental and social risks, including issues in the areas of human rights, anti-corruption and the climate, are an integral part of Clas Ohlson's overall risk management process.

In 2020, Clas Ohlson launched a new sustainability strategy to reduce sustainability risks and raise the level of ambition, thereby boosting the company's competitiveness. To further reduce the company's sustainability risks, the decision was made to design a process to identify and establish climate-related risks. This will be integrated into Clas Ohlson's risk management process, which will facilitate obtaining an overview of the potential effects of climate change on the operations and identifying measures to counteract these potential effects. Refer to page 87 for more information on the climate-related risks and opportunities that have been identified.

War in Ukraine

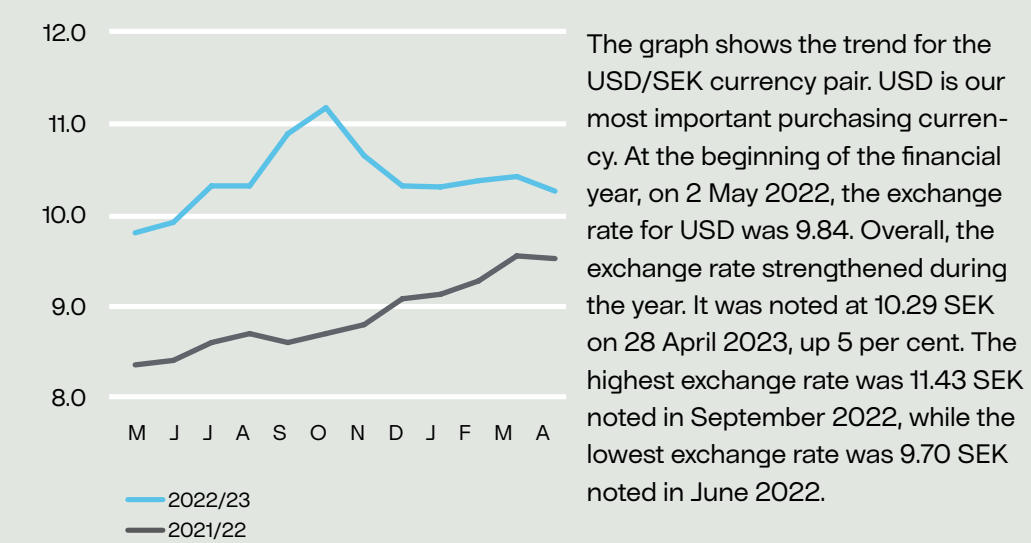
The war in Ukraine has resulted in increasing uncertainty in the global economy and Europe. Clas Ohlson is not directly affected since no operations are conducted in Ukraine or Russia. Combined with the impact of the pandemic, the war has changed customer behaviour at an increasingly rapid rate. Customer preferences and reactions to global events differ in the various markets served by Clas Ohlson, contributing further to this complexity. Moreover, rising prices of food, fuel and electricity, among other things, impacted customers throughout the financial year.

Sensitivity analysis

Currency	Change, %	Impact on profit before tax, MSEK
NOK	+/- 10	+/- 226
USD	+/- 10	-/+ 157
HKD	+/- 10	-/+ 2
EUR	+/- 10	-/+ 32

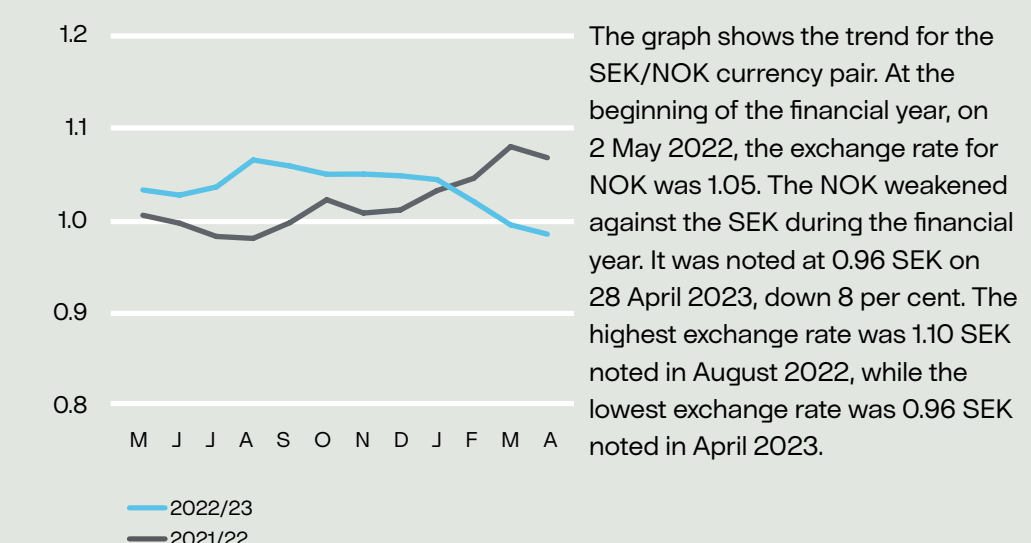
The two diagrams below show the SEK trend against the Group's principal currency for purchasing (USD) and the Group's principal currency for sales (NOK).

Monthly average, USD/SEK



The graph shows the trend for the USD/SEK currency pair. USD is our most important purchasing currency. At the beginning of the financial year, on 2 May 2022, the exchange rate for USD was 9.84. Overall, the exchange rate strengthened during the year. It was noted at 10.29 SEK on 28 April 2023, up 5 per cent. The highest exchange rate was 11.43 SEK noted in September 2022, while the lowest exchange rate was 9.70 SEK noted in June 2022.

Monthly average, NOK/SEK



The graph shows the trend for the SEK/NOK currency pair. At the beginning of the financial year, on 2 May 2022, the exchange rate for NOK was 1.05. The NOK weakened against the SEK during the financial year. It was noted at 0.96 SEK on 28 April 2023, down 8 per cent. The highest exchange rate was 1.10 SEK noted in August 2022, while the lowest exchange rate was 0.96 SEK noted in April 2023.

Strategic risks

RISK	DESCRIPTION	RISK MANAGEMENT
CHANGES IN BUSINESS ENVIRONMENT AND COMPETITION	<p>The retail landscape is changing at an increasingly rapid pace owing to changes in, for example, consumer behaviour, purchasing patterns and technology.</p> <p>We are also seeing increased competition from both new and existing players. Global e-retailers and other digital players are always expanding their business and challenging existing business models. Many are competing for the same customers with similar offerings, and it is easier than ever to make comparisons.</p>	<p>The purpose of Clas Ohlson's new strategy for long-term, profitable growth is to develop operations online, to offer a more unique and focused product offering and simultaneously to add a supplementary service offering to meet increased competition.</p> <p>This means continued work on strengthening the company's digital platform and on developing our product range and our service offering. Clas Ohlson also enters into partnerships with others to develop a relevant, competitive and sustainable customer offering that inspires and helps customers in their everyday lives.</p>
CUSTOMERS' PURCHASING PATTERNS AND MARKET POSITION	<p>Consumers who are constantly online want to buy when, where and how they want, and regardless of the sales channel they use, they expect a simple and consistent shopping experience tailored to their needs.</p> <p>The rising trend of online shopping means that the physical store is increasingly becoming a meeting place and an arena for experiences. Customers expect affordable, quick, reliable and convenient deliveries, and want to choose the best option for them at that specific time.</p> <p>During COVID-19, customers largely worked from home, which is a pattern of behaviour that may become permanent to a certain extent and impact footfall to city-centre stores.</p>	<p>Clas Ohlson continues to focus on integrating and developing various sales channels and delivery options, and on the capacity to interact with customers through digital channels to further improve availability and service levels.</p> <p>Digitalisation provides the company with tools to enhance understanding of customer behaviour, drive sales, build loyalty and easily serve customers throughout the entire decision-making and purchasing process, with respect for their privacy (GDPR). We also work to continually optimise our store network with a favourable mix of city-centre and out-of-town locations.</p>
PRODUCT RANGE, OFFERING AND COMMUNICATION	<p>The company's most important task is to offer customers a relevant, attractive, affordable and sustainable product range. If Clas Ohlson were to misjudge new trends and demand for products, services and communication, this could entail lower growth and profitability.</p>	<p>Clas Ohlson works on detailed market and competitor assessments in order to create good conditions for designing an attractive and affordable offering.</p> <p>Clas Ohlson works continually to maintain a clear and inspiring store and online concept, the right pricing and outstanding service.</p>
GROWTH	<p>Clas Ohlson will develop its operations, grow and strengthen its brand in markets where the company conducts operations. Clas Ohlson is developing its customer offering, sales channels and a supplementary service offering. The risk is that these investments in growth will not generate the intended results.</p>	<p>Clas Ohlson conducts detailed market and competitor analyses before decisions on strategic investments in the customer offering and sales channels, and capitalises on the experiences gained from previous ventures.</p>

Operational risks

RISK	DESCRIPTION	RISK MANAGEMENT
PURCHASING OF PRODUCTS	<p>Clas Ohlson currently purchases just over 35 per cent of the company's products directly from manufacturers in Asia, the majority from China. There is a risk of bribes and corruption in the purchasing process, and suppliers in low-wage countries entail increased risk of shortcomings in working conditions and respect for human rights. This high exposure to a single country entails greater risk (political risk, transport risk, currency risk, pandemic risk and so forth).</p>	<p>Clas Ohlson's Code of Conduct and ethical guidelines apply to all our suppliers and purchase agreements. The company has its own audit teams in China and engage third parties in other countries to conduct inspections and monitor compliance with the requirements of the Code of Conduct. Since the start of 2017, Clas Ohlson has been part of Sedex in order to further increase transparency regarding the environment, labour and human rights. Clas Ohlson works continuously on evaluating new potential purchasing markets in both Europe and Asia. Since 2021 Clas Ohlson has also established purchasing functions in Poland and Vietnam.</p>
IT SYSTEMS	<p>Clas Ohlson's operations are highly dependent on IT support. As a result, it is essential that IT systems provide effective support for the company's day-to-day operations and maintain a high level of reliability.</p> <p>It is also important to ensure efficiency to support decision-making processes. Infringements or deficiencies in processing customer information, employee information or business-critical data can lead to decreased confidence, breaches of applicable rules and entail a negative impact on the Group's earnings.</p>	<p>Clas Ohlson has an IT policy and an information security policy. In the event of new legislation or new regulations, the actions to be taken will be decided well in advance. There are standardised processes for implementing new systems, for changing existing systems and for daily operations. Annual audits are performed and measures taken in the event of non-compliance. Clas Ohlson works actively to ensure that personal data is processed securely pursuant to the applicable regulations. Security is a constant focus area, for example, external parties perform scanning and penetration testing.</p>
LEASES	<p>Clas Ohlson leases the premises where shops have their operations. Contract periods vary, depending on the market, but there is a risk that lease terms are too long and contracts are not flexible enough in a changeable market. The drastically increased lease levels also have an impact on the assessment of profitability in each store.</p>	<p>Clas Ohlson endeavours to have flexible leases, with suitable contract periods, with the option of re-negotiation during the contract term.</p>
SHRINKAGE	<p>Clas Ohlson is exposed to shrinkage – shoplifting, for example – on a daily basis.</p>	<p>The Group implements long-term preventive measures to reduce shrinkage, using such methods as training initiatives and technical equipment. In addition, security efforts are continually monitored, evaluated and adapted.</p>
LOGISTICS	<p>Clas Ohlson's distribution centre in Insjön is the hub of the Group's distribution chain. Goods from suppliers in Europe and manufacturers in Asia come here to be distributed to all our shops and our online customers. Collecting the logistics in one location carries certain risks, for example, disruptions to communications and infrastructure, as well as fire and strikes.</p>	<p>Clas Ohlson invests continually in further enhancing the efficiency of its logistics and the work in the distribution centre. We are working on maintenance and inspection of systems, fire protection and security systems, etc.</p> <p>The Group also continuously reviews the distribution chain to ensure efficiency and to reduce its impact on the environment.</p>
REGULATORY RISKS	<p>The company operates in a context where laws and regulations undergo continual change, becoming more complex. Deficiencies in interpretation or compliance can damage the company's reputation and result in fines or other sanctions.</p>	<p>Clas Ohlson has an ethical approach and well-functioning internal controls. In the event of new legislation or regulations, the actions to be taken will be decided well in advance of the regulations being implemented.</p>

Financial risks

RISK	DESCRIPTION	RISK MANAGEMENT
ECONOMIC CLIMATE	In general, retail is adversely impacted by a weaker economic climate, and despite the fact that Clas Ohlson sells products that are everyday necessities, sales are adversely impacted by a weaker retail climate. The elevated risk of increased market volatility owing to fluctuations in the economic climate still remain.	Compared with many other competitors, Clas Ohlson's broad and affordable product range is less sensitive to such fluctuations. Clas Ohlson's offering entails a lower risk since demand in one product category may increase while demand in another decreases.
CURRENCIES	The company's currency exposure is high, primarily due to sales in Norway and the Group's purchasing. About 50 per cent of the company's purchases are made in currencies other than SEK. The principal currencies for purchasing are the US dollar (USD), Hong Kong dollar (HKD) and euro (EUR). In addition, movements of SEK against the Norwegian krone (NOK) are significant to the Group since about 40 per cent of sales take place in Norway. Net exposure to EUR is low since the company brings in currency via sales in the Finnish market. The table on page 21 shows how earnings are impacted by changes in currencies, excluding hedging. The risk of increased market volatility and fluctuations in the currency market could impact the company's operations over the short and long term.	As a rule, futures hedging is performed monthly in NOK and USD, with maturity after three to nine months against half of the expected flow in each currency. In this way, the company is guaranteed the forward rate on a major proportion of its purchases, but also has the opportunity/risk of making the remaining purchases at the prevailing rate. The effects of increased market volatility are routinely monitored.
TRANSPORT COSTS	The prices for marine shipping can vary relatively sharply depending on the price in the global market, exchange rate fluctuations, and market supply. Increased energy prices and inflation linked to market volatility and fluctuations in the economic climate could have a material impact on shipping prices.	Clas Ohlson manages changes in prices for marine shipping by actively monitoring and assessing the market.
RAW MATERIALS PRICES	The purchase prices for the company's products are impacted to a relatively great extent by prices in the global market for individual raw materials. This applies above all to cables and electronics (copper), batteries (zinc), lighting (aluminium) and plastic products (petroleum). The company does not engage directly in hedging against raw materials. This entails a risk, since the purchase prices of the items concerned are impacted by price trends for raw materials.	Clas Ohlson has a broad portfolio of products and is thus impacted less by changes for a specific raw material. Some of Clas Ohlson's suppliers purchase raw materials and other materials at fixed contractual prices, which entails a certain amount of indirect hedging.
WAGE INFLATION	Clas Ohlson is impacted by changes in salary levels in the countries where the company's products are manufactured. This may vary among different products depending on how large a proportion of the manufacturing process is based on labour.	Clas Ohlson is continually engaged in finding new purchasing markets in both Europe and Asia.
FINANCING AND LIQUIDITY	The company's liquidity follows the structure for seasonal deposits and payments, meaning that liquidity is lower in the autumn in conjunction with stockpiling ahead of the Christmas shopping period and dividends.	The company is continually engaged in governing and balancing its cash flow via sales, purchasing, costs, tied-up capital, and more against set targets.

Sustainability risks

RISK	DESCRIPTION	RISK MANAGEMENT
ENVIRONMENT AND CLIMATE		
RAW MATERIALS	Non-optimised choice of materials, use of non-renewable resources and inefficient use of raw materials for products and packaging, among suppliers and in Clas Ohlson's operations risks resulting in an excessively large impact on the environment and climate from Clas Ohlson's operations. The company also risks a damaged reputation regarding its choice of materials that customers perceive to be insufficiently sustainable.	Clas Ohlson is working actively to replace fossil fuel-based materials with more sustainable alternatives. Furthermore, the aim is to reduce the use of materials and use more eco-friendly materials. Under the framework of this, efforts are made to increase the use of recycled materials in the products and to ensure that all packing is recyclable. The purchase office in Poland will enable the company to increase the share of recycled materials in products.
CLIMATE AND EMISSIONS	Carbon emissions from the operations and value chain risk contributing to global warming above regulatory limits and those of the Paris Agreement. Carbon emissions entail a negative impact on the environment, climate, lives and society, and reduce the supply of raw materials for future needs. In turn, this can lead to disruptions to production, operations and customers' purchasing patterns. It can also result in a damaged reputation among our stakeholders and have regulatory consequences in the event of non-compliance. Read more about Clas Ohlson's climate-related risks according to the TCFD on page 87.	Clas Ohlson works continuously to adapt and develop its product range to help customers live more sustainably. The offering of products and services that promote a circular economy is increasing, and the company is phasing out less sustainable products. Clas Ohlson is also ensuring energy-efficient stores, offices, warehouses and premises, that use renewable electricity. Continuous action is being taken to ensure a high container fill rate by consolidating goods and adapting to more sustainable logistics systems. The purchase office in Poland provides more and closer supply chain options. To enhance understanding of the measures that need to be prioritised, more resources are being allocated to data collection and calculating carbon emissions. Read more about how Clas Ohlson manages climate-related risks according to the TCFD on page 87.
CHEMICALS	There is the risk for ground and water pollution, primarily from manufacturing of Clas Ohlson's products. Health risks also arise in the manufacturing, processing and use of products among suppliers and in Clas Ohlson's operations. Incorrect use of chemicals and their impact could also lead to damage to Clas Ohlson's reputation. Regulatory changes regarding the use of chemicals could impact production and the product range. Regulatory consequences may also arise in the event of non-compliance.	Active measures are continuously taken to limit and phase out the potentially hazardous chemicals in products in the Clas Ohlson range. Clas Ohlson also applies frameworks for handling chemicals-adapted to the EU RoHS and Reach legislation. In addition, the cautionary principle is applied through Clas Ohlson's chemicals requirements, which define both general and product-specific requirements that are updated annually. Restrictions have been introduced to the use of substances on ChemSec's SIN List, with all use requiring justification and approval by Clas Ohlson's chemists. Clas Ohlson also participates in projects looking into phasing out PFAS.
END-OF-LIFE PRODUCTS	If Clas Ohlson's customers use the products ineffectively, or if the products have short service lives, demand for raw materials increases, as does the negative impact on the environment. There is also the risk of damage to Clas Ohlson's reputation if products are of low quality, have a very short service life or if the product lifecycle is not perceived to be circular. Regulatory changes, for example, service life requirements could affect the development and sale of our products. Regulatory consequences may also arise in the event of non-compliance.	Long-term actions are being taken to increase the quality of products to extend their service lives and product design to promote more sustainable materials, reparability and facilitate recycling. Clas Ohlson offers spare parts and solutions for repairing and extending product service lives and offers multi-use products and hiring services that reduce waste. Customers are also offered a number of initiatives and solutions to facilitate collection, reuse and recycling.

RISK	DESCRIPTION	RISK MANAGEMENT
SOCIAL CONDITIONS, HUMAN RIGHTS AND EMPLOYEES		
EMPLOYEES	<p>Employees must have insight into how the strategic direction is to be implemented in practice in order to achieve the set goals and strategies. This places considerable demands on recruitment, skills development and internal mobility.</p> <p>It is important to strike the right balance between working from home and working at Clas Ohlson's various offices to ensure continued collaboration among co-workers and to promote good health at work.</p> <p>If Clas Ohlson is not perceived to be a relevant employer brand, and if the company cannot safeguard talent, offer co-workers the right skills development, there is also the risk of not being able to attract the rights skills in the transformation that the retail sector is undergoing.</p> <p>Limited diversity could mean that customers are not reflected and interaction is not optimised. There is also the risk that the company's reputation is damaged if there are shortcomings in its efforts and if Clas Ohlson is not perceived to contribute to an inclusive society.</p>	<p>Clear, communicative and inclusive leadership, combined with skills exchange and development, equip the company for the future and cultivate an organisation prepared to shoulder new challenges.</p> <p>Well-defined guidelines and policies for a flexible workplace have been established.</p> <p>New work processes have been implemented and impact most co-workers. Clas Ohlson is carrying out development and training activities with a teaching platform and structured employee appraisals. Broad training in the digital arena, including sustainability, is offered to all co-workers.</p> <p>Clas Ohlson has a zero tolerance policy on discrimination. The recruitment process strives to increase diversity. Clas Ohlson has set targets and policies for gender equality and diversity.</p>
WORKING CONDITIONS AND HUMAN RIGHTS	<p>In high-risk countries, there is the risk of violations of the right to free association, fair wages, safety, discrimination and access to social insurance systems among suppliers. There is also the risk of forced and compulsory labour and child labour among suppliers. Families also risk being negatively affected by labour migration that takes place in the supply chain.</p> <p>Breaches of applicable rules may result in regulatory consequences for Clas Ohlson. If regulations or Clas Ohlson's Code of Conduct are breached, there is the risk that partnerships with suppliers must be terminated, which could also damage Clas Ohlson's reputation as a company and a brand.</p> <p>The risk of transparency regarding the impact of our products influences consumer purchasing behaviour.</p>	<p>Clas Ohlson's mitigating activities include consolidation and focus on purchases from strategic suppliers that uphold a high standard in these areas. Compliance with the Code of Conduct and Code of Business Ethics is regularly monitored and any deviations are followed up. The company also works to ensure improvements to working conditions over time at Clas Ohlson's suppliers.</p> <p>Clas Ohlson continuously trains both factory workers and management at the company's suppliers. Clas Ohlson acts to promote children's rights both in its supply chain and in home markets.</p> <p>Clas Ohlson checks potential suppliers based on the requirements in the Code of Conduct before any partnership begins and refrains from initiating a partnership if serious deviations are discovered.</p>
HEALTH AND SAFETY	<p>If regulations are breached, there is the risk to life and health, regulatory consequences and a damaged reputation for the company and the brand. Costs can also arise due to interruptions in operations as a consequence of sick leave and safety shortcomings.</p>	<p>Clas Ohlson accepts responsibility for all co-workers and subcontractors working in its operations. Clas Ohlson's starting point is to follow laws, regulations and recommendations. The company also has constructive dialogue with employee representatives and safety officers to work on improving health and safety activities according to a long-term plan.</p>
CONFIDENTIALITY AND SECURITY	<p>There is the risk of regulatory consequences in the event of failings in confidentiality and security. There is also the risk of a damaged reputation if policies and internal processes are substandard.</p>	<p>Clas Ohlson applies an information security policy that it adopts every year and processes personal data in accordance with applicable legislation and internal guidelines.</p>
ANTI-CORRUPTION		
BRIBERY IN THE SUPPLY CHAIN	<p>There is the risk of corruption, among both suppliers and co-workers, that threatens economic and social stability, especially in high-risk countries.</p> <p>If applicable rules are breached, there is the risk of regulatory consequences, higher costs, quality shortfalls, delivery problems and a damaged reputation and harm to the company's brand. Obstacles to establishing operations in new purchasing regions may also arise.</p>	<p>Clas Ohlson has zero tolerance for corruption. The Code of Business Ethics is adopted and applied every year as part of the company's Code of Conduct. All suspected deviations are reported. The company has an external anonymous whistleblower service. Furthermore, senior management, employees who work with purchasing, high-value contracts, and agents in Asia are trained in business ethics.</p>



Chairman's letter

The financial year involved several transformative steps for Clas Ohlson. During the year, the Board of Directors had the important task of driving the transformation process and supporting the company in its journey towards making home fixing available, sustainable and enjoyable for everyone.

Last year I emphasised the importance of focusing on the things that we can control ourselves. That has been just as relevant this year as we have navigated in a changing business environment characterised by continued geopolitical uncertainty, cost inflation and rapid exchange-rate fluctuations, to name but a few factors. Together with the company, the Board has worked to calibrate and tailor its strategy and business plan to best take responsibility for the company's long-term development and to capitalise on opportunities that exists even in a more challenging retail market climate. By focusing on profitable growth, efficiency and sustainability, we shall achieve the position of customers' first choice in all home markets, while simultaneously acting as a positive force in society. In this way, we will increase shareholder value over time.

The Board work has worked well during the year, with productive cooperation within the Board as well as with

the management team. Matters covered at the 17 Board meetings included focusing operations on the core offering and home markets, cost savings, increased efficiency and streamlining the company's IT infrastructure. I believe that we have had a relevant mix of skills represented on the Board that enables us to address these issues, and we worked constructively in our discussions where the Board continuously has evaluated risks and opportunities connected to different choices.

As always, Clas Ohlson's corporate governance is based on international norms such as the UN Global Compact's ten principles in the areas of human rights, labour, environment and anti-corruption. This is also reflected in our policies, guidelines and how we build long-term relationships with our stakeholders.

Given the transformation we have undergone during the year, I am convinced that Clas Ohlson is better prepared to face the challenges in a continued uncertain retail environment. The organisation has created a solid financial basis over the years, and by continued cost control we can further develop the company and generate growth with an even more relevant assortment, continued e-com growth and for the first time in several years, drive growth with new stores in attractive locations. The flexibility and determination that the organisation has shown over the past year will be an asset to Clas Ohlson moving forward. I would therefore like to take this opportunity to thank all co-workers for the past year. I would also like to thank our customers and owners for making the journey towards an even stronger Clas Ohlson possible.



Kenneth Bengtsson, Chairman of the Board

Corporate governance

Good corporate governance is a prerequisite for maintaining confidence among shareholders, customers and other external stakeholders and is built on the company's strategies, targets and values permeating the entire organisation.

The governance of Clas Ohlson is based upon Swedish legislation, primarily the Companies Act, the listing agreement with Nasdaq Stockholm and the Swedish Corporate Governance Code (the Code). In addition, governance follows the Articles of Association, internal instructions and policies, and recommendations issued by relevant organisations. The corporate governance report has been prepared in accordance with the Code.

Swedish Corporate Governance Code

The Swedish Corporate Governance Code is applicable to all companies listed on Nasdaq Stockholm. The aim is to improve corporate governance in listed companies and foster trust in companies among the general public and in the capital market. The Code is based on the "comply or explain" principle, which means that it is possible to deviate from the Code if an explanation is provided as to why the deviation has been made. There were no deviations from the Code within Clas Ohlson during the financial year.

Compliance with applicable regulations for stock exchange trading

Neither the Swedish Securities Council nor the Stockholm Stock Exchange's Disciplinary Committee reported

infringements of good stock exchange practices or of the application of stock exchange regulations.

Annual General Meeting

Shareholders exercise their influence through participation in the company's Annual General Meeting (the ordinary annual general meeting). The AGM is the ultimate decision-making body and has traditionally been held physically at the company's place of business in Dalarna at the beginning of September. The Notification of the AGM, which is normally communicated about four weeks prior to the AGM, is published in Post- och Inrikes Tidningar, as well as on the company's website. All shareholders who are registered in the share register within the time frame stated in the notice are entitled to participate. Registration can be made by telephone, e-mail, letter or Clas Ohlson's website.

Each year, the AGM appoints the Board, the Chairman of the Board and the auditors for Clas Ohlson. In addition, the AGM decides how profits are to be appropriated. Other issues that arise are mandatory items under the Companies Act and Clas Ohlson's Articles of Association (available at about.clasohlson.com).

On 30 April 2023, the company's largest shareholders, each representing at least 10 per cent of the votes, were Helena Ek Tidstrand (17.2 per cent), Johan Tidstrand (12.7 per cent), Peter Haid (12.0 per cent), Mathias Haid and Charlotte Haid Bondergaard through their companies (12.9 per cent) and Claus-Toni Haid and Grischa Haid through their companies (11.8 per cent).

Nomination Committee

The Nomination Committee's task is to submit proposals for Board members and auditors, as well as fees to Board members (including committee work) and to auditors, to the next AGM at which the Board or auditors are due to be elected. The Nomination Committee also proposes the Chairman of the AGM.

At Clas Ohlson, a nomination process is applied for electing the Nomination Committee. The Chairman of the Board is a member of the Nomination Committee, along with representatives of the four largest registered shareholders or otherwise known shareholders (record date 30 September).

If a shareholder does not elect a member, the next largest shareholder will be asked. The Nomination Committee elects a Chairman from within the Committee, who, according to the Code, shall not be the Chairman of the Board or another Board member.

An evaluation of the Board's work and Board composition was carried out during the year. This evaluation was performed as a written appraisal carried out by an external party. The results of the evaluation were presented verbally and in writing by the Board Chairman Kenneth Bengtsson. The assessment is that the Board worked well during the year. Reporting took place in order to enable the Nomination Committee to make as thorough an assessment as possible of the Board's combined expertise and experience.

The Nomination Committee fulfils the guidelines pertaining to independence as stated in the Code. The Nomination Committee represents broad experience of work in boards of directors and nominating procedures.

Nomination Committee prior to the 2023 AGM

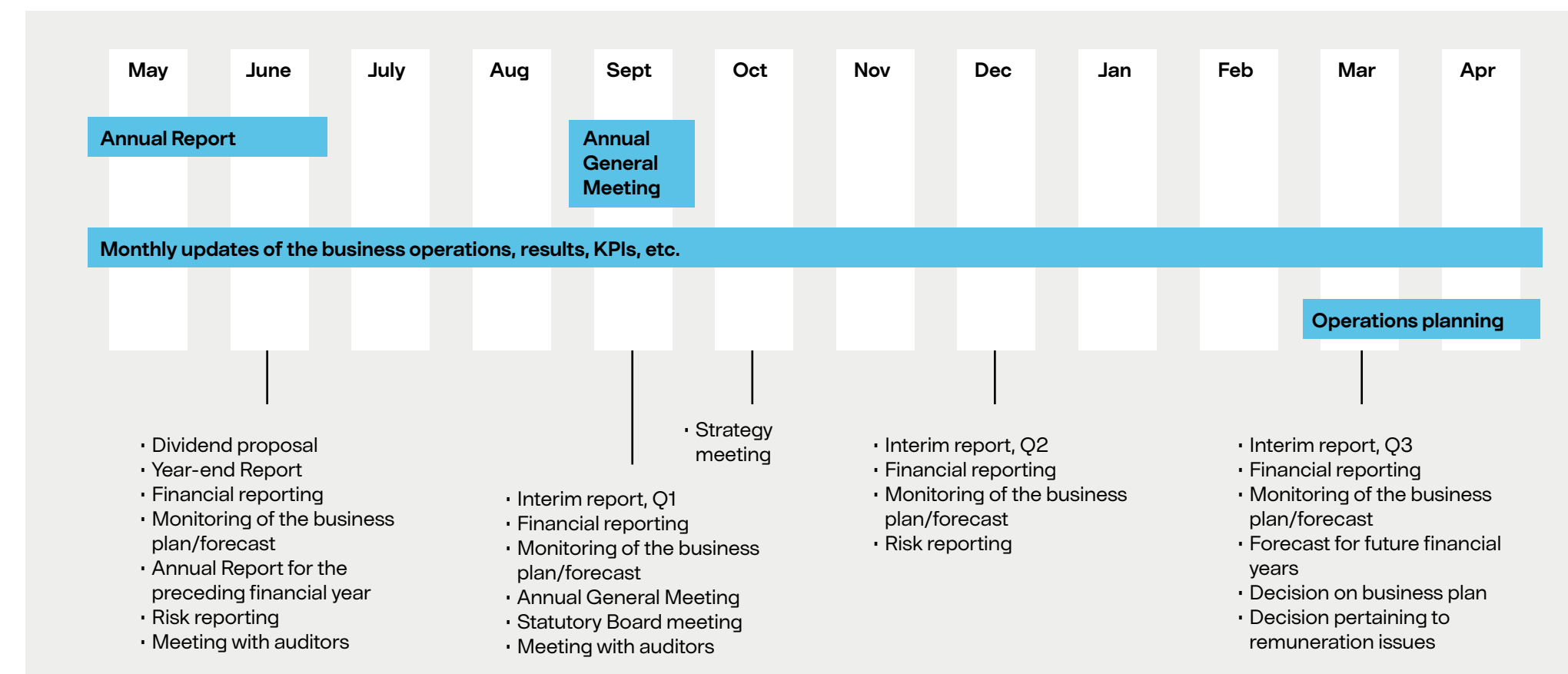
Prior to the AGM held on 8 September 2023, Clas Ohlson's Nomination Committee comprised the following members: Malin Persson, Chairman of the Nomination Committee representing the owner-family Haid, Johan Ståhl, representing the owner-family Tidstrand, Ricard Wennerklint, representing If Skadeförsäkring AB, Richard Torgerson, representing Nordea Funds, and Kenneth Bengtsson, Chairman of the Board of Clas Ohlson.

The composition of the Nomination Committee is based on the ownership structure on 30 September 2022. The Nomination Committee represents slightly more than 72 per cent of the total number of Clas Ohlson's shares (votes). The Nomination Committee will serve until a new Nomination Committee has been elected.

The objective of the Nomination Committee's work is that the Board is to have the expertise, experience and background required by the assignment. The degree of diversity in the Board was also taken into account and efforts are made to achieve an even gender balance. Factors including the company's diversity policy were considered by the Nomination Committee in its work.

Particular emphasis was placed on Clas Ohlson's strategies and targets, as well as on the demands that Clas Ohlson's future focus will place on the Board. The Nomination Committee also discussed the Board's long-term composition on the basis of future competency requirements, diversity and succession.

The Board's working schedule



The Committee worked on the nominating procedure for Clas Ohlson's AGM and held three recorded meetings, where the Board's composition was evaluated, considered and discussed. In addition, there was individual contact during the 2022/23 financial year, and two recorded meetings was held after the end of the financial year.

The Nomination Committee's work during the mandate period included the following:

- Report on the Board's work from the Chairman of the Board
- Evaluation of the Board's work
- Nomination of the Chairman of the Board and Board members
- Position concerning the independence of Board members and candidates

- Preparation of proposals for fees to the Board and Committees
- Preparation of proposals for the Chairman of the AGM
- Nomination of auditors

The Nomination Committee's complete proposals were presented on 9 June 2023.

Auditors

The AGM appoints auditors for the Parent Company each year. The AGM held on 9 September 2022 appointed Deloitte the auditors of the company, with Johan Telander as Auditor in Charge. Johan Telander is an Authorised Public Accountant at Deloitte. Deloitte was elected up to the 2023 AGM.

Composition of the Board and attendance during the financial year ¹

MEMBER ^{2,3}	ELECTED	INDEPENDENT ^{5,6}	BOARD MEETINGS	AUDIT COMMITTEE	PEOPLE COMMITTEE	NOMINATION COMMITTEE
KENNETH BENGTSSON ⁴	2013	Yes	17/17		5/5	3/3
MENGMENG DU	2020	Yes	17/17			
MATHIAS HAID ⁷	2015	Yes ⁵ /No ⁶	17/17		4/5	
PATRIK HOFBAUER	2020	Yes	17/17		5/5	
HÅKAN LUNDSTEDT	2018	Yes	15/17	5/7		
ANNE THORSTVEDT SJÖBERG	2017	Yes	17/17			
CHARLOTTE STRÖMBERG	2017	Yes	16/17	6/7		
GÖRAN SUNDSTRÖM ⁷	2014	Yes ⁵ /No ⁶	17/17	7/7 ⁴		

¹The trade-union organisations have had four representatives on the Board. For further information on Board members, see pages 31-32. The work of the Board and its Committees is described on page 28.

²For information on date of birth, work experience, directorships and shareholdings, see pages 31-32.

³Remuneration of Board members is stated in Note 6, see page 52.

⁴Chairman.

⁵Independent in relation to the company and Group Management according to the Swedish Corporate Governance Code.

⁶Independent in relation to major shareholders of the company according to the Swedish Corporate Governance Code.

⁷Representative of or major shareholder, see page 101.

Payment for audit engagements in the Group in the past three years totalled 2.0 MSEK, 1.7 MSEK and 2.0 MSEK, respectively. Payment for other assignments in the past three years totalled 0.3 MSEK, 0.2 MSEK and 0.2 MSEK, respectively. Work in addition to auditing relates primarily to issues pertaining to consultation on tax issues and IFRS accounting rules. The independent position of the auditors is ensured firstly by the internal policies of the auditing firm and secondly by the Board's guidelines indicating what engagements the auditing firm may undertake in addition to auditing.

Board of Directors

Clas Ohlson's shareholders elect the Board of Directors annually at the AGM. The Board comprises eight members, who are elected by the AGM. In addition to these mem-

bers, the Board includes two representatives and two deputies for the trade-union organisations in the company. These individuals are elected by their own organisations.

The Board fulfils the independence requirement of the Code. All members, with the exception of Mathias Haid and Göran Sundström, are deemed independent in relation to the company, Group management and major shareholders. Clas Ohlson strives, over time, towards diversity on the Board meaning an equal distribution of men and women on the Board. Gender distribution on the Board among the members elected by the AGM in the past financial year was five men (62.5 per cent) and three women (37.5 per cent). In the preceding year, the corresponding distribution was five men (62.5 per cent) and three women (37.5 per cent). All of the Board members were re-elected at the 2022 AGM.

Board meetings

Immediately following the AGM, the statutory Board meeting is held, at which the rules of procedure for the Board and instructions to the company's CEO are approved. The members of the Board's Audit Committee and People Committee (remuneration committee) and authorised signatories for the company are also appointed at this meeting. In addition to this meeting, the Board holds at least seven further meetings during the financial year. These are held quarterly in conjunction with the publication of the company's financial reports, once in June prior to concluding the Annual Report, once in connection with the Annual General Meeting and once during the autumn for strategic discussions. The strategy meeting usually takes place over two days, while other meetings are held on one day. The strategy meeting mainly discusses issues relating to the Group's targets and strategies, product range, store establishment strategy, major investments and so forth. Other meetings primarily deal with the usual Board issues, the company's reports and reporting by the Board Committees.

The company's auditors attend three of the Board meetings to report on what has emerged during the audit. The Board meets the auditors once annually without the presence of Group Management. The Board held 17 Board meetings during the financial year. The Board assesses its work annually.

How the Board works

The rules of procedure for the Board of Directors stipulate which items on the agenda are to be fixed and which may vary. Each Board meeting is normally to be devoted to a specific topic so that the Board can gain more in-depth knowledge and understanding of the various parts of the company's operations. There are also presentations on these topics by employees of the company.

The issues that the Board dealt with during the year included strategic direction, monitoring of the business plan, a review of risk management, significant business processes, development of current markets, expansion and sustainability targets. The work of the Board's Committees is an important element of the Board's work. The Board has prepared instructions for the Committees' work. The People Committee and Audit Committee discuss issues that fall within the Committees' remit. Issues that have been addressed in the Committee meetings are minuted and notified to the other Board members at the Board meetings.

The rules of procedure also state that the Board must meet with the company's auditors at least once per year. In addition, the rules of procedure also regulate certain formal matters, such as rules for the notification of meetings and secrecy.

Audit Committee

At its first meeting following the AGM, the Board established an Audit Committee comprising Göran Sundström (Chairman), Charlotte Strömberg and Håkan Lundstedt. The Board has issued instructions for the Committee's work. The Audit Committee is responsible for the quality assurance of financial reporting. In addition, the Audit Committee is responsible for supervising the effectiveness of risk management and internal control over the financial reporting.

The members of the Audit Committee met the auditors on two occasions during the financial year to be informed about the focus of the audit and discuss views on the risks faced by the company. The auditors also attended several of the Committee's other meetings. Important tasks for the Audit Committee are to serve as a communication link, between the Board and the company's auditors and to establish what services over and beyond auditing can be procured from the company's auditors. The auditing effort is evaluated annually, after which information on the outcome is passed to the Nomination Committee.

The Audit Committee held seven meetings during the financial year. Attendance is shown in the table on page 27. The meetings are recorded and reported at the next Board meeting. Representatives of Group management attended the Committee's meetings as co-opted members. The meetings addressed issues aimed at quality assuring risk management and internal control over the financial reporting. Moreover, the Audit Committee dealt with issues regarding the company's interim reports, annual report, accounting, liquidity and other issues.

People Committee

In accordance with the Swedish Annual Accounts Act, the AGM of a limited liability company whose shares are listed for trading on a regulated marketplace is to decide on guidelines for remuneration of senior management. The Code also stipulates that the Board is to establish a remuneration committee, which at Clas Ohlson is called the People Committee. The Clas Ohlson Board decided at its statutory meeting in September 2022 that the People Committee was to comprise Kenneth Bengtsson (Chairman), Patrik Hofbauer and Mathias Haid. The Board has issued instructions for the Committee's work. The People Committee submits proposals for guidelines pertaining to basic salary and variable remuneration for senior management. The Committee met five times during the financial year. Attendance is shown in the table on page 27. The meetings are recorded and reported at the next Board meeting. The Committee addressed such issues as fixed and variable remuneration, and evaluated the proposed long-term incentive programme (LTI).

Distribution of work between the Board and CEO

The Board appoints the CEO of the company. The distribution of work between the Board and CEO is indicated in the Board's rules of procedure and in the instructions to the CEO. These state that the Board is responsible for the governance, supervision, organisation, strategies, internal

control, forecasts and policies of the company. In addition, the Board decides on major investments and matters of principle relating to the governance of subsidiaries, as well as the election of Board members and the CEO. The Board is also responsible for the quality of the financial reporting.

The CEO in turn is responsible for ensuring that the company is managed in accordance with Board's guidelines and instructions. In addition, the CEO is responsible for forecasting and planning the company's operations so that specified targets are attained. The CEO ensures that the control environment is favourable and that the Group's risk-taking at any time is compatible with the Board's guidelines. Any deviations have to be reported to the Board. The Board also receives regular information from the CEO through a monthly report.

CEO and Group Management

Clas Ohlson's CEO leads the Group Management's work and makes decisions pertaining to the operations in consultation with others in Group management. At the end of the financial year, Group Management comprised eight individuals and meetings were held with weekly records, monthly meetings and as otherwise necessary. The meetings focus primarily on strategic and operative monitoring and development, as well as results follow-up. In addition to these meetings, there is close daily cooperation within management.

Governance of subsidiaries

The five wholly owned subsidiaries Clas Ohlson AS in Norway, Clas Ohlson Oy in Finland, Clas Ohlson Sp. Z.o.o. in Poland, Clas Ohlson Ltd (Shanghai) in China and C/O P Investment AB, which is the Parent Company for Clas Fixare AB, in Sweden are governed by their own boards in the country concerned, principally consisting of representatives of Clas Ohlson AB in Sweden. The Board in Sweden receives continuous information about the sub-

sidiaries through the CEO's monthly reports on the subsidiaries. These reports also include the results of operations and financial position of the company concerned. The subsidiaries Clas Ohlson Ltd in the UK and Clas Ohlson GmbH in Germany are being discontinued since operations in these countries have ceased.

External and internal control instruments

Clas Ohlson's governance occurs within the framework for external control instruments, such as Nasdaq Stockholm's rules and regulations, the Swedish Companies Act, the Swedish Corporate Governance Code and the Swedish Annual Accounts Act.

Furthermore, there are internal control instruments consisting of the Articles of Association, the Board's rules of procedure, instructions for the CEO, policies, guidelines, the Code of Conduct as well as Clas Ohlson's values and corporate culture.

Clas Ohlson's corporate culture

"One Clas Ohlson" encapsulates how we treat each other and our customers. Read more about our culture on page 5.

Selection of policies that apply within Clas Ohlson

- Code of Conduct
- Code of Business Ethics
- Diversity and Inclusion Policy
- IT Policy
- Security Policy
- Information Policy
- Insider Policy and guidelines
- Financial Policy
- Whistleblowing guidelines
- Travel Policy
- Privacy Policy
- Cookie Policy

Remuneration principles

The general principles of remuneration for senior management are to be based on the position held, individual performance, the Group's financial results and the remuneration being competitive in the country of employment. The combined remuneration of senior management is to consist of basic salary, variable salary in the form of a short-term incentive based on annual performance targets, long-term incentives based on multi-year performance, pension and other benefits. In addition, notice of termination and severance pay are subject to terms and conditions. Clas Ohlson aims to offer a competitive total level of remuneration, focusing on payments based on performance. This means that the variable remuneration may comprise a significant portion of the total remuneration. The aim is for basic remuneration to be in line with the median of the comparable market, while total remuneration, when Clas Ohlson meets or exceeds its objectives, is to be in the upper quartile of the market.

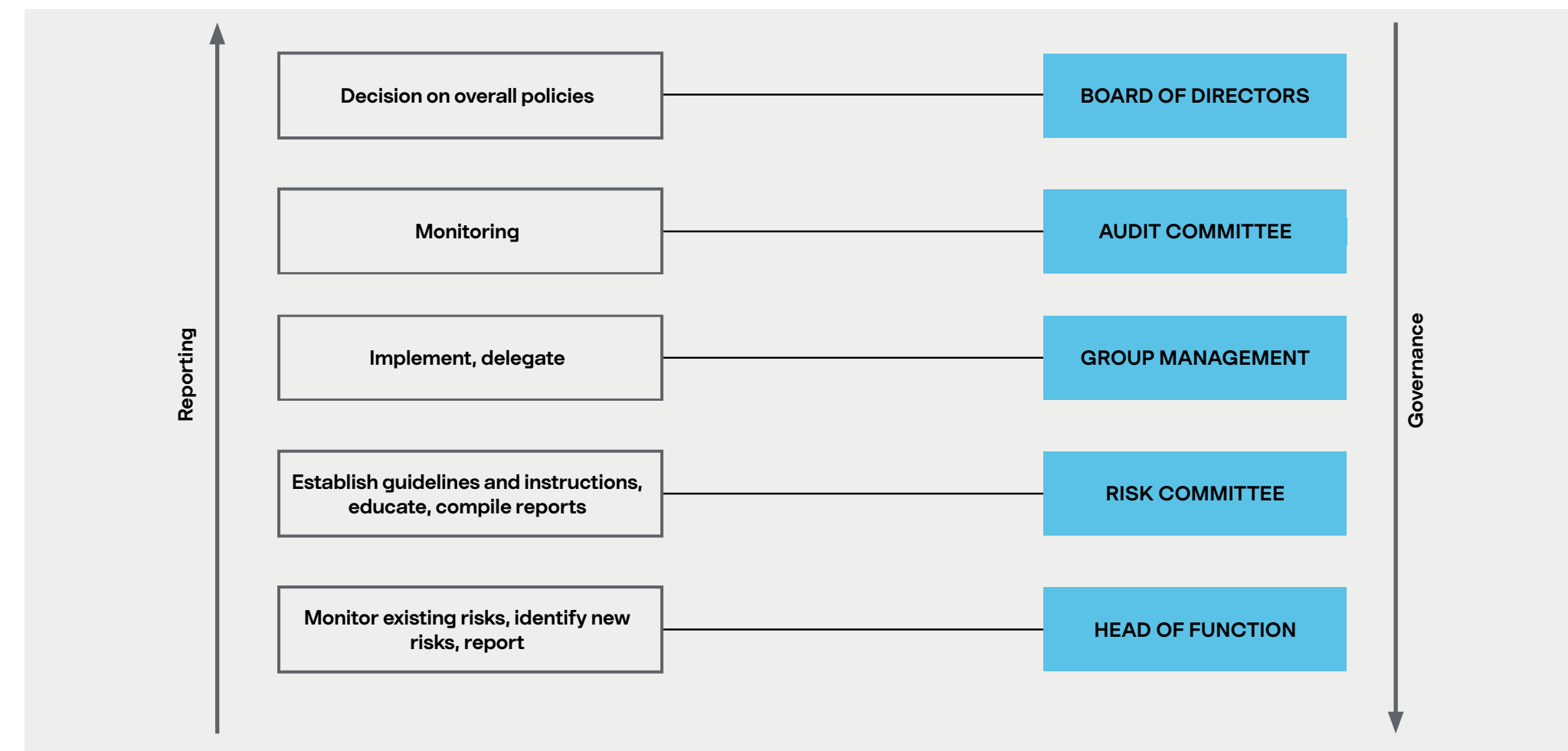
Remuneration

Fees paid to the Board during the financial year totalled 4.2 MSEK, in accordance with the resolution by the AGM. Of the fees paid, 0.6 MSEK pertained to remuneration for work on the Board's People and Audit Committees. Of the Board's total fee, 1.0 MSEK was paid to the Chairman of the Board. No remuneration is paid to members of the Nomination Committee. Read more on page 52, Note 6.

Remuneration of the CEO comprises fixed salary and variable remuneration, and the entire amount is set by the Board. A more detailed presentation of remuneration, pension and severance pay for the CEO is presented on pages 52-55, Note 6.

The guidelines for remuneration of senior management were adopted by the 2020 AGM, and remuneration was based on the Board's proposal for the 2022/23 financial year. These guidelines cover basic salary, variable remuneration, pension benefits and other benefits.

Risk management



neration, pension benefits and other benefits. For information on the complete decided guidelines on remuneration, pension and severance pay, see Note 6, pages 52-55.

Risk management

The Board has overall responsibility for the Group's risk effort. The risk situation in Clas Ohlson is updated and analysed regularly. This is done by means of a systematic process in which risks are identified, valued and assessed, managed, monitored and reported. Using an overall assessment, priority is given to those risks whose impact and probability are deemed to represent the most negative effect. A key aspect in this work is the measures undertaken to avoid (control activities), reduce or shift the risk to another party (insurance). The risks are entered in risk maps in order to clarify the overall risk exposure. Mapping is done at the Group level and represents a tool for operational and strategic governance by the Board and the company's

Group management. By means of risk mapping, the focus can be aimed at reducing the company's risk exposure and reducing the consequences of any risks emerging. The Risk Committee pursues the work involved in compiling, monitoring and developing the risk management process. Reporting of the Group's overall risk status is made internally to the Audit Committee and the Board twice annually. See also the risk section on pages 20-24.

Sustainability

For Clas Ohlson, it is important to protect and assume responsibility for people and the environment impacted by our operation. Our sustainability agenda is an integrated part of Clas Ohlson's business and is described in the operations section on pages 5-12. Refer also the detailed sustainability information on pages 74-98.

Internal control over the financial reporting

The Board has overall responsibility for the company's systems pertaining to internal control. The responsibility is regulated by the Swedish Companies Act, which also states that the Audit Committee has a specific responsibility for monitoring quality assurance in risk management and internal control over the financial reporting.

The company's work on internal control follows the framework developed by The Committee of Sponsoring Organizations of the Treadway Commission (COSO). The framework consists of five individual areas: control environment, risk assessment, control activities, information and communication, and monitoring.

Control environment

The control environment comprises the organisational structure and the values, guidelines, policies, instructions and so on, according to which the organisation works. Effective Board work forms the basis of good internal control and the Board of Clas Ohlson has established rules of procedure and clear instructions for its work. This includes the Board's People and Audit Committees.

Part of the Board's work involves drawing up and approving the policies that govern the Group's work on internal control. Another part involves creating the necessary conditions for an organisational structure with clear roles and responsibilities, leading to effective management of the risks in the operation.

The Group has regulations governing decision-making and authorisation levels that parallel the Group's organisational structure. The focus is on clarifying who has a mandate to decide on investments, activities, signing of contracts and so forth in each function and the limits in terms of the amounts involved. In the event that the amount exceeds the function's mandate, the decision is assigned to the next level in the organisation. This is done in order to maintain

good corporate governance and awareness at the various levels in the organisation. The regulations governing decision-making and authorisation constitute the basis for decision-making at Clas Ohlson.

Group Management is responsible for implementing guidelines for the maintenance of good internal control. Internal control is continuously being developed and improved. Group Management and the Audit Committee report continuously to the Board according to approved procedures.

All activity is undertaken in accordance with the Group's Code of Conduct and Code of Business Ethics.

Risk assessment and control activities

Clas Ohlson continuously works on the risk-areas that are considered most prioritised based on materiality and risk.

The Group's income consists of sales in stores and online shopping where payment is principally made by credit card or in cash. This income is documented in its entirety in bank accounts which are reconciled daily. The risk of errors in the reporting of income is limited. Group expenses primarily comprise goods-related expenses, freight, salaries and social security contributions, rental expenses and marketing. Income and expenses are forecasted for each store and department. The outcome is checked monthly against both the budget and the preceding year. About 90 per cent of Clas Ohlson's assets consist of inventories and non-current assets. Accordingly, particular emphasis has been placed on preventing and detecting deficiencies in these areas when designing internal controls.

The processes and the control structure are documented in a separate financial manual, which is updated regularly. The most essential processes in the Group are continuously evaluated. The greatest risks in each process are

documented. An assessment is then made of whether the controls that take place are adequate. If there is a need, further compensatory controls are introduced to reduce the risk to an acceptable level.

The subsidiaries have accounting managers and controllers who ensure that financial reporting is correct and complete. In addition, they ensure that legislation is observed and that financial reporting is completed within the time frames to Group management and to the Group accounting function. Moreover, there are controllers in major Group functions and in the Group finance function with equivalent working tasks. The Group finance function has a close and well-functioning cooperation with subsidiaries as regards reporting and closing accounts.

Each month, all subsidiaries report complete closing accounts, which constitute the basis for the Group's consolidated financial reporting.

Information and communication

Major policies, guidelines, instructions and manuals that are of significance to internal control are regularly updated and communicated to employees concerned. General guidelines and instructions are also available on the company's intranet.

There are both formal and informal information channels to Group management and the Board for information from employees. The Board receives regular feedback from the operations on questions that relate to internal control through the Audit Committee. For external communication, there are guidelines that support the requirement to provide the equities market with correct information.

Monitoring of internal control

Group management and the Audit Committee regularly report to the Board on the basis of established procedures.

The Board regularly receives information about the Group from the CEO, which includes the earnings and financial position of the subsidiaries.

Each interim report is analysed by the Audit Committee with regard to the correctness of the financial information. The Audit Committee also plays a key role in monitoring to ensure that there are sufficient control activities for the most essential areas of risk pertaining to the financial reporting and communicating material issues to Group management, Board and auditors. An important aspect is to ensure that any viewpoints from the auditors are rectified.

Three times a year, the entire Board meets the company's auditors to be informed of the external audit and discuss relevant issues. On the basis of the auditors' reporting, the Board forms a picture of the internal control and the correctness of the financial information. The CEO does not take part in any issues that relate to senior management.

Internal audit

Following evaluations in the financial year and preceding years, the Board has not found it necessary to date to establish an internal audit function. The company's Group-wide controller function has instead been adapted to also deal with internal control activities. The question of whether to establish a separate internal audit function is re-examined annually. Furthermore, the company has a Risk Committee that continuously evaluates material risks and control activities.

Board of Directors



Kenneth Bengtsson

Chairman of the Board since 2014, Board member since 2013.

Born in 1961.

Professional experience: CEO and various executive positions at ICA for more than 30 years.

Other significant directorships: Chairman of the Board of Ersta diakoni, Lyko, Mio AB, SJ AB, World Childhood Foundation and JumpYard AB. Board member of Synsam Group.

Independent in relation to the company, Group Management and major shareholders according to the Swedish Corporate Governance Code.

Own and closely associated holdings*: 87,000 series B shares.



Mengmeng Du

Board member since 2020.

Born in 1980.

Master of Business Administration, Stockholm School of Economics. Master of Science in Data Technology, Royal Institute of Technology.

Professional experience: Startup advisor. Several leading positions at Spotify, COO at Acast, Product Development Manager at Stardoll, Management Consultant at Bain & Company.

Other significant directorships: Board member of Dometic Group AB, Swappie Oy and Tryg A/S.

Independent in relation to the company, Group Management and major shareholders according to the Swedish Corporate Governance Code.

Own and closely associated holdings*: 2,500 series B shares.



Mathias Haid

Board member since 2015.

Born in 1970.

Professional experience: Pilot at Lufthansa AG, training officer at Lufthansa Cargo's airline operations and several senior positions in Lufthansa's airline operations 1998-2015. Board member of Clas Ohlson AS and Clas Ohlson Oy 2002-2005.

Other significant directorships: Board member of the Clas Ohlson Foundation.

Dependent in relation to major shareholders according to the Swedish Corporate Governance Code. Independent in relation to the company and Group Management.

Own and closely associated holdings*: 503,980 series A shares and 2,389,777 series B shares.



Patrik Hofbauer

Board member since 2020.

Born in 1968.

IHM Business School, Diploma Marketing management and Master.

Professional experience: President and CEO of AB Svenska Spel. Previous CEO roles within the Telenor Group at Telenor Sverige AB, Telenor Broadcast Holding and Canal Digial. Previous CEO of Clear Channel Sverige & Baltics and NEC Scandinavia AB. Head of Sales at Scandic Hotels Sverige AB.

Other significant directorships: Chairman of the Board of Presto Brandsäkerhet AB, Board member of the Swedish Gambling Association. Previous Board member of Telenor Sverige AB, Telenor Broadcast, Swedish IT and Telecom Industries and the Confederation of Swedish Enterprise.

Independent in relation to the company, Group Management and major shareholders according to the Swedish Corporate Governance Code.

Own and closely associated holdings*: 6,000 series B shares.



Håkan Lundstedt

Board member since 2018.

Born in 1966.

Professional experience: President and CEO of Synsam Group; previously CEO of Mekonomen and Lantmännen, and a number of senior roles at Orkla.

Other significant directorships: -

Independent in relation to the company, Group Management and major shareholders according to the Swedish Corporate Governance Code.

Own and closely associated holdings*: 5,300 series B shares



Charlotte Strömberg

Board member since 2017.

Born in 1959.

Master of Business Administration, Stockholm School of Economics.

Professional experience: Former CEO of Jones Lang LaSalle Nordics, held a number of roles with Carnegie Investment Bank, Alfred Berg/ABN Amro, Consensus and Robur Capital Management.

Other significant directorships: Vice Chairman of Sofina S.A, Board member of Kinnevik AB, Höganäs AB and Lindéngruppen AB, member of the Swedish Securities Council and Founding Partner of DHS Venture, and independent member of Nasdaq Stockholm's Listing Committee.

Independent in relation to the company, Group Management and major shareholders according to the Swedish Corporate Governance Code.

Own and closely associated holdings*: 5,000 series B shares.

* Own and closely associated holdings per 30 June 2023.

BOARD OF DIRECTORS

**Göran Sundström**

Board member since 2014.

Born in 1962.

Master of Business Administration, Lund University.

Professional experience: Founder and CEO of Sundström & Partners, various senior positions in Corporate Finance at Alfred Berg Fondkommission AB, Aros Securities AB and Nordea Securities.

Other significant directorships: Board member of Parks & Resorts Scandinavia AB, Sundström & Partners AB and the Clas Ohlson Foundation.

Dependent in relation to major shareholders according to the Swedish Corporate Governance Code. Independent in relation to the company and Group Management.

Own and closely associated holdings*: 3,900 series B shares in own holdings and 1,600 series B shares through a legal entity.

**Anne Thorstvedt Sjöberg**

Board member since 2017.

Born in 1965.

Master of Business Administration, University of Gothenburg.

Professional experience: Global Vice President Marketing, Electrolux AB. Several years of international experience in global leading positions within marketing, sales, consumer insights and analytics at companies such as Mondelez International, Kraft Foods and Procter & Gamble.

Other significant directorships: Board member of Viva Wine Group.

Independent in relation to the company, Group Management and major shareholders according to the Swedish Corporate Governance Code.

Own and closely associated holdings*: 4,200 series B shares.

**Freja Drakesson**

Employee representative (Handels).

Board member since 2018.

Born in 1979.

Employed in 2012.

Own and closely associated holdings*: 0.

**Caroline Östning**

Employee representative (Unionen).

Board member since 2018.

Born in 1978.

Employed in 2004.

Own and closely associated holdings*: 0.

**Christl Sjögren**

Deputy employee representative (Handels).

Board member since 2022.

Born in 1979.

Employed in 2017.

Own and closely associated holdings*: 0.

**Emma Zetterqvist**

Deputy employee representative (Handels).

Board member since 2019.

Born in 1995.

Employed in 2016.

Own and closely associated holdings*: 0.

* Own and closely associated holdings per 30 June 2023.

Group Management



Kristofer Tonström

President and CEO
Born in 1979.
Employed in 2021.

MSc in Business and Economics, University of Gothenburg.

Professional experience: CEO of Filippa K, General Manager of Perrigo Northern Europe, CEO of Omega Pharma Nordic and several leading positions at Procter & Gamble.

Own and closely associated holdings*:
30,357 series B shares.



Peder Apelgren

Chief Digital Officer
Born in 1971.
Employed in 2019.

MSc in Engineering, KTH Royal Institute of Technology.

Professional experience: Head of Customer Service globally and several other leading positions at IKEA Group. Various positions at Icon Medialab, Ericsson and Hewlett Packard.

Own and closely associated holdings*:
5,147 series B shares.



Tina Englyst

HR and Sustainability Director, General Counsel
Born in 1976.
Employed in 2011.

Master of Law, Uppsala University and University of Cambridge (LLM).

Professional experience: Associate at Mannheimer Swartling Advokatbyrå, Senior Legal Counsel at MTV Networks AB and Head of Legal at MTV Networks AB.

Own and closely associated holdings*:
11,402 series B shares.



Helena Holmström

Director Customer and Brand
Born in 1983.
Employed in 2021.

Master of Business Administration, Stockholm School of Economics.

Professional experience: Head of Customer, Loyalty and Insights at Clas Ohlson Head of Marketing Development, Analytics and CRM at Scandinavian Airlines. Previously Head of EuroBonus and other leading positions at the commercial division of SAS. Senior management consultant at Ernst & Young Advisory Services.

Own and closely associated holdings*: 0.

* Own and closely associated holdings per 30 June 2023.

GROUP MANAGEMENT

**Lene Iren Oen**

Director Sales, E-com & Pricing
Born in 1977.
Employed in 2019.

Market economist, BI Norwegian Business School

Professional experience: Commercial Manager at Clas Ohlson Norway, Commercial Director at Komplet AS and CEO at Blush AS.

Own and closely associated holdings*:
 1,583 series B shares.

**Pernilla Walfridsson**

CFO
Born in 1973.
Employed in 2022.

Master in Business administration from Högskolan i Växjö

Professional experience: CFO Nobina AB, CFO Byggmax Group, CFO Power, Business controller at IKEA Russia and Controller at IKEA.

Own and closely associated holdings*:
 7,000 series B shares.

**Johannes Åverling**

Director of Retail Operations
Born in 1974.
Employed in 2018.

MSc in Business and Economics, School of Business, Economics and Law at the University of Gothenburg

Professional experience: Country Operations Manager Clas Ohlson Sweden, Operations Manager Mio AB, Supply Chain Director Åhléns AB and other leading positions in business development and logistics at ICA Gruppen AB.

Own and closely associated holdings*:
 2,010 series B shares.



Anders Molander assumed the role as **Director of Purchasing and Product Development** as of 26 June 2023.
Born in 1977.

MSc in Engineering, Chalmers University of Technology, BA, Business and Economics, University of Gothenburg

Professional experience: Investment Director, Storskogen, CEO, Klintberg & Way, Director Complementary Business, Plantagen, Management Consultant, Accenture, Global Sourcing Manager, Scania and several leading positions at Mekonomen Group.

Own and closely associated holdings*:
 0.

* Own and closely associated holdings per 30 June 2023.

Financial information

2022/23

Consolidated financial statements	36	Note 20 Financial instruments	59
Parent Company financial statements	40	Note 21 Accrued expenses and prepaid income	60
Notes		Note 22 Contract liabilities	60
Note 1 Accounting and valuation policies	44	Note 23 Inter-Group transactions	60
Note 2 Financial risks	50	Note 24 Participations in Group companies	60
Note 3 Other operating income and expenses	51	Note 25 Securities held as fixed assets	61
Note 4 Depreciation	51	Note 26 Appropriations	61
Note 5 Expenses by type of cost	51	Note 27 Cash and bank balances	61
Note 6 Personnel expenses	52	Note 28 Untaxed reserves	61
Note 7 Remuneration to auditors	55	Note 29 Pledged assets	61
Note 8 Financial income and expenses	55	Note 30 Leases	62
Note 9 Income tax	55	Note 31 Related-party transactions	63
Note 10 Earnings per share	56	Note 32 Average numbers of employees	63
Note 11 Dividend per share	56	Note 33 Segment reporting	63
Note 12 Non-current assets	56	Note 34 Events after the end of the year	63
Note 13 Inventories	57	Certification of the Annual Report	64
Note 14 Accounts receivable	57	Auditor's report	65
Note 15 Prepaid expenses and accrued income	57	Quarterly results	68
Note 16 Cash and cash equivalents	57	Key ratio definitions	68
Note 17 Forward contracts	58	Glossary	69
Note 18 Proposed allocation of earnings and Equity	58	Alternative performance measures	70
Note 19 Pension obligations	58	Ten-year overview	73



Group

Consolidated income statement

MSEK	Note	1 May 2022–30 Apr 2023	1 May 2021–30 Apr 2022
	1, 2		
Sales		9,024.3	8,783.7
Cost of goods sold	4, 5, 6	-5,640.6	-5,178.9
Gross profit		3,383.6	3,604.8
Selling expenses	4, 5, 6	-2,727.6	-2,703.9
Administrative expenses	4, 5, 6, 7	-184.8	-199.9
Other operating income	3	18.4	33.8
Other operating expenses	3	-184.7	-15.3
Operating profit		305.0	719.4
<i>Financial items</i>			
Financial income	8	3.4	2.0
Financial expenses	8	-65.9	-65.1
Profit after financial items		242.4	656.4
Income tax	9	-61.8	-133.9
Profit for the year		180.6	522.5
Number of shares at the end of period, million		63.4	63.4
Earnings per share before dilution, SEK	10	2.85	8.25
Earnings per share after dilution, SEK	10	2.85	8.25
Proposed dividend per share, SEK	11	1.50	13.00

Consolidated statement of comprehensive income

MSEK	Note	1 May 2022–30 Apr 2023	1 May 2021–30 Apr 2022
Profit for the year		180.6	522.5
<i>Other comprehensive income, net of tax:</i>			
<i>Items that can later be reversed in the consolidated income statement:</i>			
Exchange rate differences		-11.2	15.2
Cash flow hedging	17	17.1	35.4
<i>Items that cannot later be reversed in the consolidated income statement:</i>			
Change in fair value of financial asset	25	-148.6	-147.8
Other comprehensive income, net of tax:		-142.7	-97.2
Comprehensive income for the year		37.9	425.3
<i>Profit for the year attributable to:</i>			
Parent Company shareholders		180.6	522.5
Non-controlling interests		0.0	0.0
<i>Comprehensive income for the year attributable to:</i>			
Parent Company shareholders		37.9	425.3
Non-controlling interests		0.0	0.0

Group

Consolidated balance sheet

MSEK	Note	30 Apr 2023	30 Apr 2022
Assets			
<i>Non-current assets</i>			
<i>Intangible assets</i>			
IT and software costs	12	307.5	486.4
Total intangible assets		307.5	486.4
<i>Tangible assets</i>			
Land and buildings	12	248.3	275.3
Equipment, tools, fixtures and fittings	12	413.7	462.4
Right-of-use assets	12, 30	1,553.6	1,678.8
Total tangible assets		2,215.6	2,416.5
<i>Other financial assets</i>			
Securities held as fixed assets	12, 20, 25	9.5	158.0
Total other financial assets		9.5	158.0
<i>Non-current receivables</i>			
Deferred tax assets	9, 30	71.3	66.9
Other non-current receivables	19, 20	15.6	27.8
Total non-current receivables		86.9	94.7
Total non-current assets		2,619.5	3,155.6
<i>Current assets</i>			
Inventories	13	2,177.1	2,198.6
Accounts receivable	14, 20	51.1	57.6
Tax assets	9	28.7	5.0
Other receivables	20	16.5	13.3
Prepaid expenses and accrued income	15, 17, 30	73.8	61.8
Cash and cash equivalents	16, 20	143.1	456.6
Total current assets		2,490.2	2,793.0
Total assets		5,109.7	5,948.6

Consolidated balance sheet

MSEK	Note	30 Apr 2023	30 Apr 2022
Equity and liabilities			
<i>Equity</i>			
<i>Capital and reserves attributable to Parent Company shareholders</i>			
Share capital		82.0	82.0
Other contributed capital		90.4	90.4
Other reserves		-40.7	-46.6
Profit brought forward including profit for the year		1,305.6	2,095.8
Total equity		1,437.4	2,221.6
<i>Non-current liabilities</i>			
Long-term lease liabilities, interest bearing	20, 30	1,111.2	1,255.3
Deferred tax liabilities	9	175.9	205.2
Other non-current provisions		0.0	4.0
Total non-current liabilities		1,287.1	1,464.5
<i>Current liabilities</i>			
Current lease liabilities, interest bearing	20, 30	521.2	534.4
Accounts payable	20	752.7	770.8
Tax liability	9	41.2	52.7
Other current liabilities	20	212.7	207.4
Overdraft facilities	20	244.4	0.0
Accrued expenses and prepaid income	17, 21	517.7	612.9
Contract liabilities	22	95.3	84.3
Total current liabilities		2,385.2	2,262.6
Total equity and liabilities		5,109.7	5,948.6

Group

Consolidated cash flow statement

MSEK	1 May 2022–30 Apr 2023	1 May 2021–30 Apr 2022
<i>Operating activities</i>		
Operating profit	305.0	719.4
<i>Adjustment for non-cash items</i>		
- Depreciation	772.9	753.1
- Profit/loss from sale/disposal of non-current assets	100.4	6.2
- Other non-cash items	33.0	1.0
Interest received	3.4	2.0
Interest paid	-65.9	-65.1
Tax paid	-148.1	-121.2
Cash flow from operating activities before changes in working capital	1,000.7	1,295.4
<i>Cash flow from changes in working capital</i>		
- Accounts receivable	5.4	0.7
- Inventories	-9.0	-351.5
- Other receivables	13.5	-35.8
- Accounts payable	-17.5	37.3
- Other current interest-free operating liabilities	-52.3	40.0
Cash flow from operating activities	940.8	986.1
<i>Investing activities</i>		
Investments in intangible assets	-35.9	-53.0
Investments in tangible assets	-87.5	-99.4
Investments in securities held as fixed assets	0.0	-6.2
Sale of equipment	0.0	0.9
Cash flow from investing activities	-123.4	-157.7

Consolidated cash flow statement

MSEK	1 May 2022–30 Apr 2023	1 May 2021–30 Apr 2022
<i>Financing activities</i>		
Change in overdraft facilities	244.4	0.0
Repayment of lease liability	-549.5	-514.1
Change in non-current receivables	0.0	0.9
Dividend to shareholders	-823.6	-395.9
Cash flow from financing activities	-1,128.7	-909.2
Cash flow for the year	-311.2	-80.8
Cash and cash equivalents at the start of the year	456.6	533.8
Exchange rate differences in cash and cash equivalents	-2.3	3.7
Cash and cash equivalents at the end of the year	143.1	456.6

Group

Consolidated statement of changes in equity (Note 18)

MSEK	Share capital	Other contributed capital	Translation differences	Hedging reserve	Profit brought forward	Non-controlling interests	Total
Opening balance at 1 May 2021	82.0	90.4	-74.2	-23.0	2,114.3	5.8	2,195.2
Profit for the year	-	-	-	-	522.5	-	522.5
Other comprehensive income	-	-	15.2	35.4	-147.8	-	-97.2
Acquisition of non-controlling interests (minority share)	-	-	-	-	-0.4	-5.8	-6.2
Employee stock option plan: value of employees' service	-	-	-	-	3.1	-	3.1
Dividend to shareholders	-	-	-	-	-395.9	-	-395.9
Closing balance at 30 April 2022	82.0	90.4	-59.0	12.4	2,095.7	0.0	2,221.6
Profit for the year	-	-	-	-	180.6	-	180.6
Other comprehensive income	-	-	-11.2	17.1	-148.6	-	-142.7
Employee stock option plan: value of employees' service	-	-	-	-	1.5	-	1.5
Dividend to shareholders	-	-	-	-	-823.6	-	-823.6
Closing balance at 30 April 2023	82.0	90.4	-70.2	29.5	1,305.6	0.0	1,437.4

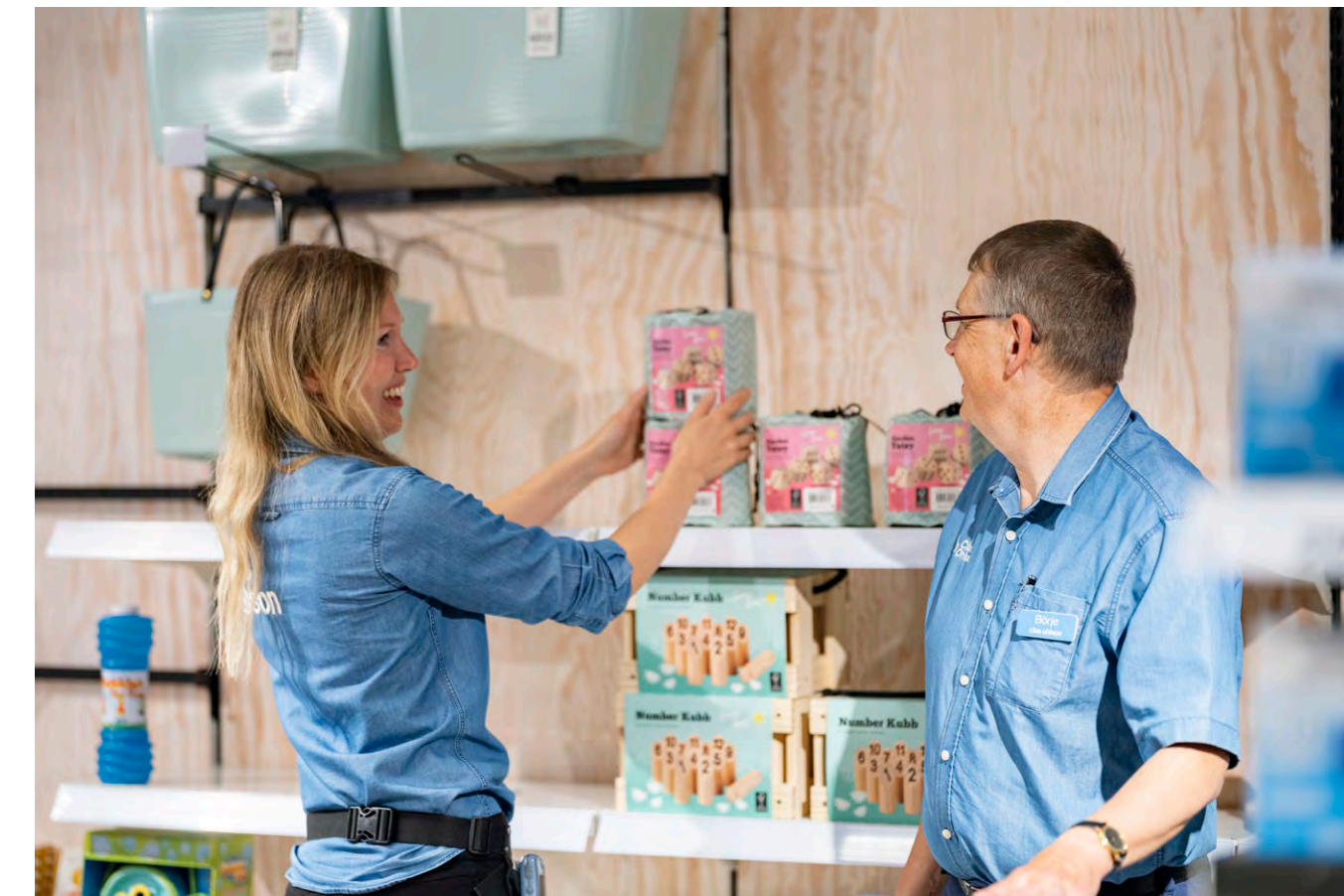
Parent Company

Consolidated income statement

MSEK	Note	1 May 2022–30 Apr 2023	1 May 2021–30 Apr 2022
Sales	1, 2, 23	7,425.2	7,187.5
Cost of goods sold	4, 5, 6	-5,581.4	-5,094.8
Gross profit		1,843.8	2,092.7
Selling expenses	4, 5, 6	-1,491.5	-1,530.9
Administrative expenses	4, 5, 6, 7	-142.7	-155.0
Other operating income	3	18.5	33.7
Other operating expenses	3	-174.4	-12.7
Operating profit		53.9	427.9
<i>Financial items</i>			
Dividends from subsidiaries		121.5	177.9
Financial income	8	3.3	1.4
Financial expenses	8	-13.4	-3.2
Profit after financial items		165.3	604.0
Appropriations	26	175.2	1.7
Profit before tax		340.4	605.7
Income tax	9	-49.1	-91.1
Profit for the year		291.3	514.6
Proposed dividend per share, SEK	11	1.50	13.00

Comprehensive income, Parent Company

MSEK	Note	1 May 2022–30 Apr 2023	1 May 2021–30 Apr 2022
Profit for the year		291.3	514.6
Other comprehensive income, net of tax:			
<i>Items that can later be reversed in the consolidated income statement:</i>			
Change in fair value of financial assets	25	-148.6	-147.8
Other comprehensive income, net of tax:		-148.6	-147.8
Comprehensive income for the year		142.7	366.8



Parent Company

Balance sheet

MSEK	Note	30 Apr 2023	30 Apr 2022
Assets			
<i>Non-current assets</i>			
<i>Intangible assets</i>			
IT and software costs	12	303.4	484.2
Total intangible assets		303.4	484.2
<i>Tangible assets</i>			
Land and buildings	12	248.3	275.3
Equipment, tools, fixtures and fittings	12	235.0	253.6
Total tangible assets		483.2	528.8
<i>Financial assets</i>			
Securities held as fixed assets	12, 20, 25	9.5	158.0
Deferred tax assets	9	3.6	4.1
Non-current receivables from Group companies		0.2	0.2
Non-current receivables	20	0.0	2.3
Participations in Group companies	24	45.5	45.5
Total financial assets		58.8	210.2
Total non-current assets		845.5	1,223.2
<i>Current assets</i>			
<i>Inventories</i>			
Merchandise	13	1,599.1	1,636.6
Total inventories		1,599.1	1,636.6
<i>Current receivables</i>			
Accounts receivable	14, 20	33.1	32.6
Tax assets	9	26.5	0.0
Receivables from Group companies		193.7	114.8
Other receivables	20	1.1	0.7
Prepaid expenses and accrued income	15	89.6	85.9
Total current receivables		344.0	234.0
Cash and bank balances	20, 27	52.4	375.8
Total current assets		1,995.5	2,246.4
Total assets		2,840.9	3,469.7

Balance sheet

MSEK	Note	30 Apr 2023	30 Apr 2022
Equity and liabilities			
<i>Restricted equity</i>			
Share capital, 65,600,000 shares with a quotient value of 1.25 SEK		82.0	82.0
Statutory reserve		106.8	106.8
Development fund		16.1	28.2
Total restricted equity		204.9	217.1
<i>Non-restricted equity</i>			
Profit brought forward		271.0	566.4
Fair value fund		-242.9	-94.3
Profit for the year		291.3	514.6
Total non-restricted equity		319.4	986.8
Total equity		524.4	1,203.9
Untaxed reserves			
<i>Current liabilities</i>			
Accounts payable	20	722.8	732.9
Tax liability	9	0.0	10.6
Liabilities to Group companies		69.2	32.3
Current liabilities, interest-bearing		244.4	0.0
Contract liabilities	22	73.1	62.0
Other current liabilities	20	65.4	50.6
Accrued expenses and prepaid income	20, 21	336.2	396.7
Total current liabilities		1,511.1	1,285.2
Total equity and liabilities		2,840.9	3,469.7

Parent Company

Consolidated cash flow statement

MSEK	1 May 2022–30 Apr 2023	1 May 2021–30 Apr 2022
<i>Operating activities</i>		
Operating profit	53.9	427.9
<i>Adjustment for non-cash items</i>		
- Depreciation	192.4	195.3
- Profit/loss from sale/disposal of non-current assets	94.6	4.5
- Other non-cash items	39.1	5.6
Interest received	3.3	1.4
Interest paid	-13.4	-3.2
Tax paid	-100.8	-78.3
Cash flow from operating activities before changes in working capital	269.0	553.2
<i>Cash flow from changes in working capital</i>		
- Accounts receivable	-0.4	1.7
- Inventories	37.6	-303.7
- Other receivables	-166.0	-44.1
- Accounts payable	-10.1	35.5
- Other current interest-free operating liabilities	32.6	-30.6
Cash flow from operating activities	162.6	212.0
<i>Investing activities</i>		
Investments in intangible assets	-33.2	-50.8
Investments in tangible assets	-51.5	-42.6
Investments in securities held as fixed assets	0.0	-6.3
Sale of equipment	0.0	0.8
Cash flow from investing activities	-84.8	-98.8

Consolidated cash flow statement

MSEK	1 May 2022–30 Apr 2023	1 May 2021–30 Apr 2022
<i>Financing activities</i>		
Change in current interest-bearing liabilities	244.4	0.0
Change in other non-current receivables	0.0	0.8
Change in non-current receivables, Group companies	0.0	-0.2
Dividends from subsidiaries	177.9	329.5
Dividend to shareholders	-823.6	-395.9
Cash flow from financing activities	-401.3	65.9
Cash flow for the period	-323.4	-104.2
Cash and cash equivalents at the start of the year	375.8	480.0
Exchange rate differences in cash and cash equivalents	0.0	0.0
Cash and cash equivalents at the end of the year	52.4	375.8

Parent Company

Change in Parent Company equity

MSEK	Restricted equity			Non-restricted equity		Total equity
	Share capital	Statutory reserve	Development fund	Fair value fund	Profit brought forward	
Opening equity at 1 May 2021	82.0	106.8	30.5	53.5	958.4	1,231.2
Profit for the year	-	-	-	-	514.6	514.6
Other comprehensive income	-	-	-	-147.8	-	-147.8
Employee stock option plan: value of employees' service	-	-	-	-	1.8	1.8
Change to development fund	-	-	-2.2	-	2.2	0.0
Dividend to shareholders	-	-	-	-	-395.9	-395.9
Closing balance at 30 April 2022	82.0	106.8	28.2	-94.3	1,081.1	1,203.9
Profit for the year	-	-	-	-	291.3	291.3
Other comprehensive income	-	-	-	-148.6	-	-148.6
Employee stock option plan: value of employees' service	-	-	-	-	1.4	1.4
Change to development fund	-	-	-12.1	-	12.1	0.0
Dividend to shareholders	-	-	-	-	-823.6	-823.6
Closing balance at 30 April 2023	82.0	106.8	16.1	-242.9	562.3	524.4

Note 1 Accounting and valuation policies

Compliance with standards and legislation

The consolidated financial statements for Clas Ohlson have been prepared in accordance with the Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups and International Financial Reporting Standards (IFRS) and interpretations from IFRS Interpretations Committee (IFRS IC) as approved by the EU. The financial statements were prepared in accordance with the cost method, apart from financial assets and liabilities (including derivative instruments), measured at fair value.

The accounting policies for the Group indicated below have been applied consistently to all periods presented in the consolidated financial statements, unless otherwise stated. The Group's accounting policies have been applied consistently to the reporting and consolidation of the Parent Company and subsidiaries.

Estimates and assumptions

Preparing the financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that impact upon the application of the accounting policies and the carrying amounts for assets, liabilities, income and expenses. These are based on historical experience and a number of other factors that appear reasonable under the prevailing conditions. Any changes to estimates are recognised in the period in which the change is made if the change has only impacted upon this period, or in the period in which the change is made and future periods if the change impacts upon both the current period and future periods.

Securities held as fixed assets

Securities held as fixed assets are measured at fair value according to level 3 of the fair value hierarchy since they are based on the adjusted value of a transaction in a non-active market. Refer to Note 25 for a more detailed description on assumptions and the sensitivity analysis for measuring securities held as fixed assets.

Leases

In a number of cases, the Group's leases have the option for the Group to extend the lease or terminate it in advance. Under IFRS 16, extension options entitling the lessee to extend a lease or terminate it in advance are to be included in the term if it is deemed reasonably certain that the option will be exercised. Accordingly, the assessment affected the amount of the lease liability and the right-of-use asset recognised for the lease. Refer to Note 30 for a more detailed description of the assessments made by the Group as regards the length of lease terms.

Impairment testing of capitalised development expenditure

Capitalised development expenditure primarily refers to IT-related investments. Generated assets are tested for impairment to assess the recoverable amount of the assets and to identify any potential need for impairment. This assessment gives rise to several assumptions and estimates about future circumstances. Changes to the circumstances used in these assumptions and estimates could have a material effect on the value of the assets. However, management reasonably believes that possible changes to these assumptions would not have any major effect such that individually they would reduce the recoverable amount to an amount that is lower than the carrying amount.

Customer loyalty programme and returns

The contract liability with the Group's customer club members, which arises on the point of sale and refers to future use of bonus cheques as a form of payment, is measured at the expected value based on the Group's past experience. Estimates are made based on the current degree of redemption and members' probable future redemption of bonus cheques. Determining the value of future returns in connection with customers making use of the open purchase option also involves a certain level of estimates and assessments. Management uses overall historical experience to estimate the value of accumulated returns. It is deemed to be highly probable that a significant reversal of accumulated revenue will not take place given the event level of returns in prior years.

Climate change

In preparing the financial statements, impact of climate risk as well as the Group's sustainability strategy were taken into consideration in reviewing the valuation of each balance sheet items. In coming to this conclusion the management have reviewed each balance sheet line item and identified those line items that have the potential to be significantly impacted by climate-related risks and the Group's plans to mitigate against these risks. Management do not believe that there is any material impact on the financial reporting judgements and estimates arising from our considerations and as a result, the valuations of the Group's assets and liabilities have not been significantly impacted by these risks as at 30 April 2023. Clas Ohlson works consistently with sustainability in its strategy and the costs and benefits of are embedded into the cost structures of the business and are not separately identifiable. None of the actions have significantly impacted the value of the Group's assets or their useful lives.

New standards and interpretations that come into effect in 2022/23 and after

There were no new or amendments to IFRS or IFRIC interpretations that came into effect in 2022/23 that had a material impact on the consolidated financial statements.

New and amended standards that have not yet come into effect

The new or amended IFRS or IFRIC interpretations that come into effect in the next financial year have not been applied in advance to the preparation of these financial statements. Besides the amendments described below, no other new or amended IFRS or new interpretations that have not yet come into effect are deemed to have any material impact on the consolidated financial statements.

Amendments to IAS 1 – Disclosure of Accounting Policies

These amendments affect the requirements in IAS 1 on the disclosure of accounting policies. By applying these amendments, an entity is required to disclose its material accounting policy information instead of its significant accounting policies. Management believes that this amendment may impact disclosures on applied accounting policies, but has not yet evaluated its full effects.

Consolidated financial statements

The consolidated financial statements pertain to the Parent Company and all companies over which the Parent Company directly or indirectly has controlling influence. The Group controls a company when it is exposed to or is entitled to variable return from its holdings in the company and has the opportunity to impact the return through its influence in the company.

The acquisition method has been applied in preparing the consolidated financial statements. Inter-Group transactions, balance sheet items, as well as unrealised gains and losses on transactions between Group companies are eliminated. Whenever appropriate, the accounting policies of the acquired subsidiary have been amended to guarantee consistent application of the Group's policies.

The consolidated financial statements include the wholly owned subsidiaries Clas Ohlson AS, Clas Ohlson Oy, Clas Ohlson Ltd (UK), Clas Ohlson GmbH, Clas Ohlson Ltd (Shanghai), C/O P Investment AB and Clas Ohlson Sp. Z.o.o.

Segment accounting

Clas Ohlson has the following segments: Sweden, Norway, Finland and Outside Nordic countries as well as Group-wide. The Group-wide segment pertains to the Group-wide functions in Sweden that assist sales organisations with purchasing, distribution, marketing, management and other support. A large portion of the Group's value is generated in the Group-wide segment. The Group's internal pricing was adapted to these prerequisites. Operating segments are reported in a manner that corresponds to the internal reporting presented to the Group's CEO.

Translation of foreign currencies

Functional currency and reporting currency

Items included in the financial statements for the various units in the Group are measured in the currency used in the financial environment where each company is most active (functional currency). The consolidated financial statements use Swedish kronor (SEK), which is the presentation currency for the Group. On the balance sheet date, assets and liabilities in foreign subsidiaries are trans-

lated to SEK based on the rate on the closing date. Revenue and expenses in foreign subsidiaries are translated to SEK at the average rate. All sums, unless otherwise stated, are rounded to the nearest million Swedish kronor plus one decimal point.

Transactions in foreign currency

Transactions in foreign currencies are translated to the functional currency at the exchange rates that apply on the transaction date. Exchange-rate gains and losses arising from the payment of such transactions and from the translation of monetary assets and liabilities in foreign currency at the closing rate are recognised in profit or loss. An exception is when transactions represent hedging that fulfils the conditions for hedge accounting of cash flows, in which case gains/losses are recognised in other comprehensive income. For derivatives, refer to the section on financial instruments.

Group companies

Results and financial position for all Group companies, translated to the Group's reporting currency as follows:

- a) assets and liabilities for each of the balance sheets translated at the closing rate;
- b) revenue and expenses for each of the income statements translated at the average exchange rate; and
- c) all exchange rate differences that arise are recognised in other comprehensive income.

Revenue

The Group conducts retail operations, whereby a large share of all sales, about 88 per cent, is made through store sales. Revenue from sales of goods is recognised when the Group company sells a good to a customer in a store. The transaction price falls due for payment immediately

when the customer purchases the good and receives the good in the store. Regarding the remaining approximately 12 per cent of income relating to online shopping, income is recognised when control of the goods is passed to the customer, which takes place on the delivery date. Variable remuneration, such as discounts and price reductions, are recognised in both cases through deductions from the selling price directly when the transaction takes place in store or as a deduction on the invoice for online shopping. Retail sales usually take place using cash or via invoice with payment terms of 30 days.

Clas Ohlson's customers can choose to become a member of the Club Clas loyalty programme where customer collect points on their purchases. Earning bonus points means that customers have the opportunity to utilise points saved in the form of bonus cheques as payment in the future. A contract liability for the points is recognised at the time of sale. All issued bonus cheques are not redeemed which is why each sale in the loyalty programme is reduced by the fair amount with respect to future redemption of bonus cheques, considering the current degree of redemption. The member's probable redemption of bonus cheques in the future is also taken into account. In terms of accounting, earnings are recognised through a reduction in revenue on the earning date, and a corresponding contract liability is recognised in the balance sheet.

According to the Group's terms of sale, customers have a right of return within 365 days. A liability for open purchase is recognised on the sale date and a corresponding adjustment to revenue is recognised for the products that are expected to be returned. At the same time, the Group has the right to regain the product when customers exercise their right of return and the Group then recognises a

right to returned goods and a corresponding adjustment of the selling expenses. The Group uses overall historical experience to estimate the value of accumulated returns. It is deemed to be highly probable that a significant reversal of accumulated revenue will not take place given the even level of returns in prior years.

Clas Ohlson also has sales of other services for which income is recognised when the service has been completed. The portion of such services of Clas Ohlson's total sales is not material.

Interest income pertains to interest on bank balances. Revenue is recognised in the period to which the interest pertains.

Employee benefits

Group companies have different plans for remuneration after retirement, including defined-benefit and defined-contribution pension plans.

Pension obligations

A defined-contribution pension plan is a pension plan according to which the Group pays set amounts to a separate legal entity. The Group has no legal or informal obligations to pay additional amounts if this legal entity does not have sufficient assets to pay all remuneration to employees corresponding to the employees' service during the current or previous periods. A defined-benefit pension plan is a pension plan that is not a defined-contribution plan. A typical defined-benefit plan stipulates the amount of the pension benefit an employee will receive after retirement, usually based on one or more factors such as age, service period and salary. In the Parent Company, there are both defined-contribution and defined-benefit pen-

sion plans. However, in accordance with statement UFR 10, the defined-benefit ITP pension plan (Alecta) is treated as a defined-contribution pension plan. Defined-benefit pension plans are available in the Norwegian subsidiary. Regarding defined-benefit pension plans, the cost of the pension benefit is determined based on actuarial calculations according to the so-called Projected Unit Credit Method. Revaluations, including actuarial gains and losses, effects of changes in the asset ceiling and the return on the plan assets (excluding the interest components that is recognised in profit or loss) impact the balance sheet and the revaluation is recognised in the statement of other comprehensive income in the period in which they arise. Revaluations recognised in other comprehensive income affect profit brought forward and are not reclassified to the income statement. Service costs from prior periods are recognised in profit or loss in the period in which the plan is changed. Net interest is calculated by applying the discount rate at the start of the period to the defined-benefit net liability or asset.

The defined-benefit costs are divided into the following categories:

- service costs (including service costs for the current period, service costs in prior periods and gains and losses pertaining to reductions and/or regulations)
- net interest expense or net interest income
- revaluations

The first two categories are recognised in profit or loss as personnel costs (service costs) and net financial items (net interest expense). Gains and losses related to reductions and regulations are recognised as service costs from prior periods. Revaluations are recognised in other compre-

hensive income. The defined-benefit pension obligation is recognised in the balance sheet corresponding to current surplus or deficit related to the Group's defined-benefit obligations. Any surplus is recognised only to the extent that it corresponds to the present value of future repayments from the respective pension plan or future reductions in premium payments to the plan.

Remuneration in the event of termination of employment

Remuneration in the event of termination of employment is paid when an employee's employment is terminated by the Group before the normal pension date or when the employee accepts voluntary redundancy in exchange for such remuneration. The Group recognises redundancy remuneration when the Group no longer has the opportunity to withdraw the offer of remuneration. In cases where the company has issued an offer to encourage voluntary redundancy, redundancy remuneration is calculated based on the number of employees expected to accept the offer. Benefits that mature more than 12 months after the end of the reporting period are discounted to the present value.

Share-based payments

The Group has a number of share-based remuneration plans that are settled with shares and whereby the company receives services from the employees in return for the Group's equity instruments (matching shares, options and performance shares). The fair value of the service period that entitles employees to allotment of matching shares and options is expensed and a corresponding adjustment is made in equity. The total amount to be expensed is based on the fair value of the allocated matching shares and options:

- including all market-related conditions
- including e.g. profitability, target for sales increases and that the employee remains with the company for a stipulated period and,
- including the impact of the conditions that do not constitute vesting conditions (e.g. requirement that employees must save or retain the shares for a stipulated period).

At the end of each reporting period, the Group re-examines its assessments of the number of shares that are expected to be vested based on both the market-related performance and the non-market-related vesting conditions and service conditions. The company's performance is continuously compared to the targets and any possible deviation to the original assessments resulting from the reappraisal will be recognised in profit or loss and the corresponding adjustments made in equity.

The social security contributions arising from the allotment of options will be regarded as an integral part of the allocation and the expense will be treated as a cash-regulated share-based remuneration. This means that the provisions for social security contributions are based on fair value for allotted equity instruments.

Loan expenses

Loan expenses are charged to profit during the period they arise.

Intangible assets

IT development

Costs for the maintenance of software are expensed when they arise. Development costs directly attributable to the development and testing of identifiable and unique soft-

ware products controlled by the Group are recognised as intangible assets when the following criteria have been fulfilled:

- It is technically possible to complete the software so that it can be used,
- The company's intention is to complete the software and use or sell it,
- The conditions for using the software exist,
- How the software generates probable financial advantages can be proven,
- Adequate technological, financial and other resources for completing the development and for using or selling the software are available, and
- The costs attributable to the software over the course of its development can be reliably calculated.

Directly attributable costs are capitalised as a portion of the software and include costs for employees and a reasonable share of indirect costs. Other development costs, which do not meet these criteria, are expensed when they arise. Development costs that were previously expensed are not recognised as an asset in subsequent periods. Development costs for software recognised as an asset are amortised over the software's estimated useful life.

The following useful lives are applied:

IT and software costs 3-10 years

Impairment of non-financial assets

Intangible assets not ready for use are not amortised but are tested annually for any impairment. Depreciable assets are assessed to determine any decrease in value resulting from events or changes in circumstances indicating that the carrying amount might not be recoverable.

An impairment loss is recognised in the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value of the asset less selling expenses and value in use. In assessing impairment loss, assets are grouped at the lowest levels at which there are separate identifiable cash flows (cash-generating units). For assets that have been previously impaired, testing is conducted on each balance sheet date on whether reversal should be done.

Tangible assets

Tangible assets are recognised at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the purchase price and expenses directly attributable to the asset in order to bring it into the position and condition necessary for it to be utilised in accordance with the purpose of the acquisition. Depreciation is based on the cost and estimated useful life of the assets. Straight-line depreciation is used for all non-current assets. Land is not depreciated. The Group applies component depreciation, which means that depreciation is based upon the estimated useful life of the components. The following useful lives are applied:

Equipment, tools, fixtures and fittings	5-15 years
Buildings	20-33 years
Land improvements	20 years
Leasehold improvements	7-10 years

New acquisitions and replacements are capitalised, while maintenance and repair costs are expensed. The assets' residual value and useful life are tested at the end of each reporting period and adjusted as needed. An asset's carrying amount is immediately impaired to its recoverable amount if the asset's carrying amount exceeds its

assessed recoverable amount. As assets are sold or disposed of, the cost and appurtenant accumulated depreciation are written off. Any profit or loss is recognised. All of Clas Ohlson's properties are owner-occupied properties.

Inventories

Inventories have been valued at the lower of cost and net selling price on the balance sheet date, applying the "weighted average" principle. Net selling price is the estimated selling price in operating activities less selling expenses. Inter-company profits arising from delivery between companies forming part of the Group are deducted. Necessary provision for obsolescence has been made. Inventory expenses include transfers from other comprehensive income of any gains/losses from cash flow hedging fulfilling the conditions for hedge accounting, attributable to purchases of goods.

Receivables

Receivables with a due date more than 12 months after the balance sheet date are recognised as non-current receivables, while others are regarded as current assets. Receivables are recognised at the amount expected to be paid after individual testing.

Accounts receivables are initially measured at fair value and then at amortised cost applying the effective interest method, less any provision for depreciation.

Financial instruments

The Group applies IFRS 9 Financial Instruments.

A financial asset or a financial liability is recognised in the balance sheet when the Group becomes party to the contractual terms of the instrument. A financial asset

is derecognised from the balance sheet when the contractual right to receive cash flows from the asset cease, are regulated or when the Group loses control of the asset. A financial liability, or portion of a financial liability, is derecognised from the balance sheet when the contractual obligation is met or extinguished in another manner.

Classification and measurement

Financial assets are classified based on the business model under which the asset is held and the characteristics of the cash flows generated by the asset. If the financial asset is held under a business model whose objective is to collect the contractual cash flows (hold to collect) and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, the asset is recognised at amortised cost.

If, instead, the objective of the business model is to both collect the contractual cash flows and sell financial assets (hold to collect and sell) and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, the asset is recognised at fair value through other comprehensive income.

All other business models (other) for which the objective is speculation, held for trading or where the cash flow characteristics exclude other business models entail recognition at fair value through profit or loss.

The Group applies the hold to collect business model for all financial assets. The financial assets are initially measured at fair value and subsequently at amortised cost by applying the effective interest method, less any provision

for expected credit losses. However, the valuation method is not applied to the Group's securities held as fixed assets and derivatives that are measured at fair value through other comprehensive income.

Financial liabilities are measured at fair value through profit or loss unless they are held for trading or if they are initially identified as liabilities measured at fair value through profit or loss. Other financial liabilities are measured at amortised cost. All of the company's financial liabilities are measured at amortised cost except derivatives that are measured at fair value.

Fair value of financial instruments

The fair value of financial assets and liabilities traded in an active market is determined based on the quoted market prices. The fair value of other financial assets and liabilities is determined in accordance with generally accepted measurement models, such as discounting of future cash flows and the use of information obtained from current market transactions.

The carrying amount of all financial assets and liabilities is deemed to be a good approximation of their fair value, unless otherwise specifically stated.

Amortised cost and effective interest method

Amortised cost for a financial asset is the amount at which the financial asset is measured on initial recognition less the principal amount, plus the accumulated depreciation with the effective interest method of any difference between the principal amount and principal amount outstanding, adjusted for any impairment. The recognised gross amount for a financial asset is the amortised cost of a financial asset before adjustments for any loss allowance.

The effective interest is the rate that on discounting all future expected cash flows over the expected term results in the initial carrying amount of the financial asset or the financial liability.

Impairment

The Group recognises a loss allowance for expected credit losses on financial assets measured at amortised cost. On each balance sheet date, the Group recognises the change in expected credit losses since initial recognition in profit or loss. For all financial assets, the Group measures the loss allowance at an amount corresponding to the 12-month expected credit losses. For financial instruments for which the credit risk has significantly increased since initial recognition, a reserve is recognised based on full lifetime expected credit losses (general approach).

Simplifications are permissible for accounts receivable entailing that the Group directly recognises expected credit losses for the remaining lifetime of the assets (simplified approach). Cash and cash equivalents and receivables from Group companies are encompassed by the general approach for impairment. The exception for low credit risk is applied to cash and cash equivalents.

The Group's accounts receivable encompassed by the simplified approach for impairment. The expected credit losses on accounts receivable are calculated using a reserve matrix based on past events, current conditions and forecasts of future economic conditions.

The Group defines default as if it is deemed improbable that the company will meet its obligations due to such indicators as financial difficulties and missed payments. The Group writes off a receivable when no possibility of collecting further cash flows is deemed to exist.

Cash flow hedging

The effective portion of changes in the fair value for a derivative instrument identified as the cash flow hedge portion and which meets the conditions for hedge accounting is recognised in other comprehensive income. The gain or loss attributable to the ineffective portion is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents consist of cash and immediately available balances at banks and equivalent institutions, as well as short-term investments with a term of less than three months from the time of acquisition.

Leases

The Group mainly leases store, office and warehouse premises. The Group recognises leases as both a right-of-use asset, which represents the right to use the underlying asset, and a lease liability, which represents the obligation to pay lease payments. Lease payments are divided between repayment and interest on the lease liability.

All leases are measured in accordance with the cost method, which entails that the right-of-use assets are measured at cost less accumulated depreciation and impairment and any adjustments due to remeasurement of the lease liability that reflects a revision or modification of the lease. The remeasurement amount is recognised as an adjustment of the right-of-use asset. Right-of-use assets are depreciated straight-line over the lease term.

The lease liability is measured at the present value of the future lease payments on the lease commencement date. The lease payments are discounted using the rate implicit in the lease, if this rate is readily determinable. Otherwise the incremental borrowing rate is used. The latter is the

case for most of the Group's leases. The incremental borrowing rate reflects the Group's credit risk, the term of the lease, currency and the quality of the underlying asset to be provided as collateral.

The rate is determined based on publicly disclosed swap yield curves in each currency to which a margin is added that reflects the Group's credit rating, the quality of the underlying asset to be provided as collateral and all guarantees. Lease payments include the following:

- Fixed lease payments after deductions of rental and other discounts.
- Variable lease payments that depend on an index or a rate

Non-lease components are not included in the lease payments. The Group has leases with sales-based rent levels. Sales-based rent is a variable payment that is not based on an index or a rate and thus is not included in the lease liability. Sales-based rent is expensed in the period to which the rent applies. The lease liability for the Group's premises with indexed rent is calculated on the rent that applied at the end of each reporting period. At this point in time, the liability is adjusted, with a corresponding adjustment to the carrying amount of the right-of-use asset. When the assessment of the lease term is updated, the right-of-use asset and lease liability are adjusted correspondingly. Changes to the lease term take place when the final cancellation date has passed or if there is a significant event or a significant change in circumstances that is within the control of the Group and that affect the assessment of the lease term. Leases where the underlying asset has a value of less than 50,000 SEK when new and leases with a term of less than 12 months are expensed straight-line over the term.

Current and deferred income tax

Tax expenses for the period include current and deferred tax. Tax is recognised in profit or loss except when the tax pertains to items recognised in other comprehensive income or directly in equity. In such cases, the tax is also recognised in other comprehensive income and equity.

The current tax expense is calculated based on the tax regulations established or established in practice on the balance sheet date in the countries in which the Parent Company and its subsidiaries are active and generate taxable income. Management regularly evaluates the statements made in the income tax return pertaining to situations where applicable tax rules are subject to interpretation. When deemed suitable, management makes provisions for amounts that will probably be paid to the tax authority.

Deferred tax is recognised for all temporary differences arising between the taxable value of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax assets are recognised to the extent it is probable that future taxable surplus will be available, against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there are legal offsetting rights for the particular tax assets and liabilities and when the deferred tax assets and liabilities pertain to taxes by the same tax authority and pertain to the same tax subject or different tax subjects and for which there is a plan to settle the balance through net payments.

Accounts payable

Accounts payable are the obligation to pay for products or services that were acquired in the operating activities from suppliers. Accounts payable are classified as current liabilities if they fall due within one year or earlier. If not, they are recognised as non-current liabilities.

Accounts payable are initially measured at fair value and thereafter at amortised cost applying the effective interest method.

Borrowing

Borrowing is initially measured at fair value, net after transaction expenses. Borrowing is thereafter recognised at amortised cost and any difference between the amount received (net after transaction expenses) and the repayment amount is recognised in profit or loss distributed over the borrowing period, applying the effective interest method.

Charges paid for credit facilities are recognised as transaction expenses for borrowing insofar as it is probable that the credit will be utilised in full or in part. In such cases, charges are recognised when the credit has been utilised. When there is no evidence that the credit will be utilised in full or in part, the charges will be recognised as advance payment for financial services and distributed over the term of current credit facilities.

Borrowing is classified as current liabilities if the Group is not unconditionally entitled to defer payment of the debt for at least 12 months after the balance sheet date.

Provisions

Provisions are recognised in the balance sheet among current and non-current liabilities when the Group has a legal or informal obligation resulting from an event that has occurred and it is likely that an outflow of resources will be required to discharge the commitment and a reliable estimate can be made of the amount.

Consolidated cash flow statement

The cash flow statement is prepared according to the indirect method. The recognised cash flow comprises only transactions that entail receipts or disbursements. In addition to cash or bank balances, current financial investments that are subject only to an insignificant risk of fluctuation in value and have a remaining term of less than three months from the time of acquisition are classified as cash and cash equivalents.

Parent Company accounting policies

The Parent Company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 Accounting for Legal Entities of the Swedish Financial Reporting Board. This means that the Parent Company, in the annual accounts of the legal entity, has to apply all EU-approved IFRS standards and interpretations as far as possible under the terms of the Annual Accounts Act and taking into account the connection between accounting and taxation. The recommendation specifies the exceptions from and additions to IFRS that are to be made.

The financial statements are rounded to the nearest million Swedish kronor plus one decimal point. The accounting policies for the Parent Company have been consistently applied to all periods presented in the Parent Company's financial statements.

Amended accounting policies in RFR 2

Senior management does not expect that amendments to RFR 2 that came into effect during the financial year have any material impact on the Parent Company's financial statements on initial application.

Amendments accounting policies to RFR 2 that have not yet come into effect

Senior management does not expect that amendments to RFR 2 that have not yet come into effect to have any material impact on the Parent Company's financial statements on initial application.

Classification and format

The income statement and balance sheet follow the format of the Annual Accounts Act. This means certain differences compared with the consolidated financial statements, for example, items in the balance sheet are more specified and sub-items have different names in equity.

Tax

The amounts reserved as untaxed reserves are taxable temporary differences. Due to the connection between recognition and taxation, the deferred tax liabilities attrib-

utable to the untaxed reserves are not recognised in legal entities. According to Swedish practice, the amendments in untaxed reserves are recognised in the income statement in individual companies under the heading "Appropriations." The accumulated amount of the provisions is recognised in the balance sheet under the heading "Untaxed reserves," which are distributed between equity and deferred tax liabilities in the Group.

Loan expenses

Loan expenses are charged to profit in the period in which they arise.

Shares in subsidiaries

Shares in the subsidiaries are recognised at cost less deductions for any impairment.

Financial instruments

The regulations pertaining to financial guarantee agreements are not applied with respect to guarantee agreements for subsidiaries. Otherwise, IFRS 9 is applied in the Parent Company. See Note 20.

Leases

Lease payments are recognised as a cost straight-line over the term unless another systematic basis is more representative of the pattern of the user's benefit.

Other

The financial statements are presented in MSEK with one decimal point, unless otherwise stipulated. Rounding off can result in certain tables not adding up.

Note 2 Financial risks

The Group is exposed to a variety of financial risks through its operations: market risk (including currency risk and interest-rate risk), credit risk, liquidity risk and capital risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and endeavours to minimise potential unfavourable effects on the Group's financial results. The Group's Board has prepared a financial policy, which is updated and adopted at least once a year, to control and manage financial risks. The financial policy stipulates the framework and guidelines for managing financial risks and how the Group is to relate to the financial markets. It states the responsibilities and authorities in the area and how the Group is to act as regards financial matters.

Currency risk

Currency risk relates to risk that affects income statement, balance sheet and cash flow negatively due to changes in currency exchange rate. Currency risk is divided into translation exposure related to valuation of assets and liabilities in foreign currency and transaction exposure related to sales and purchases transactions in foreign currency. A significant portion of accounts payable comprises liabilities in foreign currencies and is therefore subject to currency risks. In the Group, the principal currencies used in purchases are hedged in order to reduce any currency risks, in accordance with the financial policy.

About 50 per cent of the company's purchases is made in currencies other than SEK. The principal currencies for purchasing are the US dollar (USD) and euro (EUR). In addition, movements of SEK against the Norwegian kroner (NOK) are very significant to the Group because about 40 per cent of sales take place in Norway. Net exposure to

EUR is low because the company has sales in EUR in the Finnish market. The table below shows how profit is affected by changes in the principal currencies (excluding hedging).

Hedging takes place on a monthly basis with maturities of three to nine months for half of the expected flow in the most important currencies of Norwegian kroner (NOK) and US dollars (USD).

Sensitivity analysis regarding currency risk 2022/2023

Currency, MSEK	Change, %	Impact on profit before tax
NOK	+/-10	+/- 226
USD	+/-10	-/+ 157
HKD	+/-10	-/+ 2
EUR	+/-10	-/+ 32

Cash and cash equivalents are also exposed to currency risk since a certain proportion of the funds is invested in foreign currencies.

Refinancing and liquidity risks

Refinancing and liquidity risk pertain to the risk that Clas Ohlson is unable to receive loans or meet payment obligations due to insufficient liquidity. Refinancing requirements are regularly reviewed by Clas Ohlson's central finance function, which is responsible for external borrowing. Refinancing requirements are primarily contingent on market trends and investment plans. The aim of the principles for investing cash and cash equivalents is to safeguard the Group's short and long-term solvency. Investments may only be made in instruments with low credit risk and high liquidity. The Group had bank balances only with Nordic banks on 30 April 2023. See also Note 27.

Granted credit limits

Group	30 Apr 2023	30 Apr 2022
Overdraft facilities	600	450
Credit facility	200	200
Total credit limits granted	800	650
Appropriated credit lines	244	0
Unused credit lines	556	650
Available bank balances	143	457
Refinancing reserve	699	1,107

Maturity structure financial liabilities

Group	<3 months	3-12 months	1-2 years	3-5 years	>5 years
Finance leases *	142.6	398.6	437.2	686.4	150.4
Accounts payable	752.7				
Other current liabilities	613.1				
Cash flow hedging	23.1	14.1			
Total	1,531.4	412.8	437.2	686.4	150.4

*Undiscounted cash flows

Interest-rate risk

Interest-rate risk entails how changes in interest levels impact the Group's net financial items and how the value of financial instruments varies depending on changes in market interest rates. All of the Group's loans that bear interest have short fixed-interest periods. The Group has assessed that loans with short fixed-interest periods provide the lowest risk and financing expenses over time. Interest-rate risk is also minimised by distributing credit lines over several different loans and maturity dates. A certain level of working capital is also ensured in the Group's currency accounts to optimise the levels.

The effect on interest expenses during the forthcoming 12-month period in the event of a 1-percentage-point increase/decrease in interest rates on interest-bearing liabilities amounts to +/- 18.4 MSEK (19.1). The effect on interest income during the same period and under the same conditions for interest-bearing assets amounts to +/- 0.8 MSEK (6.5).

Credit risk

Credit risk refers to financial risk that the Group is exposed to when a counterparty fails to fulfil its financial obligations to the Group. The vast majority of credit risks and credit losses in the Group are attributable to holdings of cash and cash equivalents and accounts receivable. Accounts receivable are characterised by a very low risk, as each sub-item is small and the Group's credit policy is restrictive. The credit policy states the conditions for credit assessments, credit monitoring, requirements and handling insolvency. The Group's customers are subject to credit checks for which information about customers' financial position is obtained from various credit information companies and limits are set individually per customer. Taking these measures ensures that risk exposure and credit losses are kept at a commercially acceptable level.

The Group uses a matrix model based on historical confirmed credit losses to calculate expected credit losses on accounts receivable. The losses are then adjusted to include current and forward-looking information that could impact customers' ability to pay the receivable. The outcome shows that the loss allowance on the closing date does not total a material amount and thus has not been recognised.

Age analysis of accounts receivable

Group	30 Apr 2023
Accounts receivable not due	43.2
Accounts receivable due <1 month	3.2
Accounts receivable due 1-3 months	0.7
Accounts receivable due 3-12 months	0.8
Accounts receivable due >12 months	3.2
Total	51.1

Cash and cash equivalents are invested in various bank accounts. The counterparties' solvency is deemed to be favourable and credit risk is thus deemed to be very low. The total liquidity risk comprises cash and cash equivalents and unutilised overdraft facilities.

Capital risk

Capital risk refers to the ability of the Group to maintain an optimal capital structure that might negatively affect the result of the Group. Capital risk is regarded as low because the Group had a low portion of liabilities at the end of the financial year and an equity/assets ratio of 28.1 per cent (37.3).

The goal of the Group's capital structure is to be able to continue to report a favourable return to shareholders, value for other stakeholders and to maintain an optimal capital structure to ensure that capital costs are minimised. The capital structure can be adapted to meet the requirements that arise by altering the dividend to shareholders, buying back shares, issuing new shares or disposing of assets in a bid to reduce liabilities. The assessment of capital requirements is conducted using relevant key ratios such as the relationship between net debt and equity.

Note 3 Other operating income and expenses

	Group		Parent Company	
	2022/23	2021/22	2022/23	2021/22
Other operating income				
Fora repayment of surplus	0.0	24.9	0.0	24.9
Rental income	18.4	8.0	18.4	8.0
Profit/loss on sale or disposal of tangible assets	0.0	0.9	0.0	0.8
Total	18.4	33.8	18.4	33.7
Other operating expenses				
Leasing expenses	-25.0	-11.2	-25.0	-11.2
Profit/loss on sale or disposal of tangible assets	-159.8	-4.1	-149.3	-1.5
Total	-184.8	-15.3	-174.3	-12.7

During the financial year 2022/23, non-recurring items related to cost of discontinuation of operations in the UK amounted to 35.0 MSEK and disposal of IT system amounted to 99.9 MSEK impacted other operating expenses.

Note 4 Depreciation

Group	2022/23	2021/22
<i>Depreciation by type of asset</i>		
Depreciation on leased assets	526.4	501.9
Intangible assets	104.3	104.9
Land and buildings	27.0	27.1
Equipment, tools, fixtures and fittings	115.1	119.2
Total	772.8	753.1
<i>Depreciation by function</i>		
Cost of goods sold	142.0	139.6
Selling expenses	608.2	590.4
Administrative expenses	22.6	23.1
Total	772.8	753.1
Parent Company	2022/23	2021/22
<i>Depreciation by type of asset</i>		
Intangible assets	103.6	104.9
Land and buildings	27.0	27.1
Equipment, tools, fixtures and fittings	61.7	63.3
Total	192.4	195.3
<i>Depreciation by function</i>		
Cost of goods sold	87.6	86.8
Selling expenses	97.7	101.1
Administrative expenses	7.0	7.4
Total	192.4	195.3

Note 5 Expenses by type of cost

The consolidated income statement follows the presentation format for an income statement classified by function whereby the costs for the operations are specified by function. The following functions are presented: cost of goods sold, selling expenses and administrative expenses. The item "Cost of goods sold" includes all costs incurred in conveying the goods to the distribution centre and subsequently to the store shelf, such as product costs, freight to the distribution centre and stores, customs duty, environmental charges and handling costs at the distribution centre and stores. The item "Selling expenses" includes primarily stores costs such as payroll costs, rents, marketing and costs for the sales-related support function at the head office. The item "Administrative expenses" includes costs for other support functions at the head office. The Group's expenses specified by type of cost can be divided into the following main group:

	Group		Parent Company	
	2022/23	2021/22	2022/23	2021/22
Merchandise	4,868.2	4,791.0	4,741.2	4,303.1
Personnel costs	1,978.0	2,069.1	1,232.1	1,332.2
Depreciation	772.8	753.1	192.4	195.3
Other external expenses	1,118.7	484.8	1,224.0	962.8
Total	8,737.7	8,098.0	7,389.8	6,793.4

Note 6 Personnel expenses

	2022/23	2021/22
<i>Salaries and other remuneration</i>		
Parent Company	917.3	989.8
Subsidiaries	623.0	624.0
Group total	1,540.3	1,613.7

	2022/23		2021/22	
	Social security expenses	of which pension expenses	Social security expenses	of which pension expenses
<i>Social security expenses</i>				
Parent Company	314.8	71.4	342.4	81.9
Subsidiaries	122.9	40.9	112.9	34.7
Group total	437.7	112.3	455.4	116.6

Of the Parent Company's pension expenses, 2.3 MSEK (2.3) pertained to the Group's Board and CEO. Of the subsidiaries' pension expenses 0.9 MSEK (0.9) pertained to presidents of subsidiaries.

In the Group, expenses for defined-contribution pensions amounted to 97.4 MSEK (101.8) and defined-benefit pensions to -0.3 MSEK (-0.1).

The Parent Company only has defined-contribution pension plans (including Alecta) for which the year's expenses was 56.8 MSEK (67.5).

In the Parent Company, the year's expenses for special employer's contribution on pension premiums totalled 14.6 MSEK (14.3). For more information on the defined-benefit pension plans in the Group, refer to Note 19.

Remuneration of Board members, presidents and other senior management

Parent Company	2022/23	2021/22
Salaries and other remuneration	30.7	33.6
– of which, variable remuneration	3.4	6.9
Pension expenses	5.9	5.4
Number of individuals in group ¹	20	15

Group	2022/23	2021/22
Salaries and other remuneration	33.1	36.5
– of which, variable remuneration	3.7	7.5
Pension expenses	6.0	5.4
Number of individuals in group ¹	21	16

¹ There are a total of 8 (8) members of Group Management.

Board remuneration

Fees are paid to the members of the Board according to AGM resolutions. Board members who are employed in the company do not receive director fees. No pensions or other incentive programmes are paid to the company's Board.

No director fees were paid in the subsidiaries.

Parent Company	2022/23		2021/22	
	Director fees	Committee fees	Director fees	Committee fees
<i>Board of Directors</i>				
Kenneth Bengtsson, Chairman	0.85	0.14	0.80	0.13
Göran Sundström, member	0.39	0.17	0.38	0.16
Mathias Haid, member	0.39	0.07	0.38	0.07
Charlotte Strömberg, member	0.39	0.09	0.38	0.09
Anne Thorstvedt Sjöberg, member	0.39	0.00	0.38	0.00
Håkan Lundstedt, member	0.39	0.09	0.38	0.09
Mengmeng Du, member	0.39	0.00	0.38	0.00
Patrik Hofbauer, member	0.39	0.07	0.38	0.07
Board total	3.58	0.62	3.43	0.59

Gender distribution on the Board among the members elected by the AGM in the past financial year was five men and three women. In percentage terms, the distribution is 62.5 per cent men and 37.5 per cent women.

Remuneration of senior management

Remuneration paid to the CEO and other senior management is made up of basic salary, variable remuneration and pension contributions. "Senior management" refers to the seven individuals who, together with the CEO, made up Group Management during the financial year.

For the composition of Group Management on 30 April 2023, refer to pages 33-34.

Group	2022/23				2021/22			
	Basic salary	Vari. remu. STI	LTI ¹	Bene-fits	Basic salary	Vari. remu. STI	LTI ¹	Bene-fits
<i>Salaries paid to senior management</i>								
Kristofer Tonström, CEO	6.6	1.2	0.7	0.2	6.5	2.4	0.4	0.2
Other senior management (Consisted of 7 (7) persons)	17.1	1.5	0.4	1.3	17.4	4.2	0.4	1.0
Management total	23.8	2.7	1.0	1.4	23.9	6.6	0.8	1.1

¹ LTI (long-term incentive programme) pertains to reported cost/cost reduction for LTI 2020, LTI 2021 and LTI 2022. Refer below for the description of STI (Short term incentive programme) and LTI.

Group	2022/23		2021/22	
	Defined contribution	Defined benefit	Defined contribution	Defined benefit
<i>Pension expenses for senior management</i>				
Kristofer Tonström, CEO	2.3	0.0	2.3	0.0
Other senior management (Consisted of 7 (7) persons)	3.7	0.0	3.2	0.0
Management total	6.0	0.0	5.4	0.0

Under the employment contract with the CEO, the mutual period of notice is six months. Six months' salary is payable should employment be terminated by the company. Applicable salary and benefits are payable during the period of notice. The retirement age is 65.

Salary and other remuneration payable to the CEO are decided by the Board and discussed by a People Committee appointed within the Board. Salary is reviewed at the end of each financial year.

Salaries and other remuneration for other Senior Management are decided by the CEO, supported by the People Committee within the framework decided by the Board.

The principles for variable remuneration are resolved by the AGM. The performance targets are prepared by the People Committee and decided by the Board. During the year, two different types of variable remuneration, STI and LTI, were payable.

Provisions for STI and LTI are posted continuously in the individual annual accounts. All members of senior management are entitled to annual pension contributions, primarily in accordance with the ITP plan. The retirement age is between 65 and 67.

The gender distribution during the financial year among senior management of the Parent Company was three women and five men. In percentage terms, the distribution was 37.6 per cent women and 62.4 per cent men in the financial year. The distribution last year was two women and five men. The gender distribution among senior management in the Group was four women and five men. In percentage terms, the distribution is thus 44.8 per cent female and 55.2 per cent male. The distribution last year was three women and five men.

Further information on decision-making processes in the Group is presented on pages 26-30.

Remuneration principles

The general principles of remuneration of senior management are to be based on the position held, individual performance, the Group's financial results and the remuneration being competitive in the country of employment. These principles contribute to the Group's set goals relating to sustainability, long-term interest and business strategy. The combined remuneration of senior management is to consist of basic salary, variable salary in the form of a short-term incentive based on annual performance targets, long-term incentives based on multi-year performance, pension and other benefits. In addition, notice of termination and severance pay are subject to terms and conditions.

Clas Ohlson aims to offer a competitive total level of remuneration, focusing on payments based on performance. This means that the variable remuneration may comprise a significant portion of the total remuneration. The aim is for fixed remuneration to be in line with the median of the comparable market, while total remuneration, when Clas Ohlson meets or exceeds its objectives, is to be in the upper quartile of the market.

Basic salary

The basic salary shall constitute the basis for total remuneration. The salary is to be related to the relevant market and reflect the extent of the responsibilities included in the position. The development of basic salary is to depend on how well work is performed and how well the employee develops their expertise to assume future work assignments involving greater responsibility. The basic salary is to be reviewed annually to ensure that it is market-based and competitive.

Variable remuneration (Short Term Incentive, STI)

In addition to basic salary, senior management are to qualify for STI for performance that exceeds one or several predetermined performance levels during a financial year, designed to promote the company's long-term value creation. Clearly defined performance targets are to be decided annually by the Board or by individuals elected by the Board. The performance targets may be connected to operational, financial or personal results. Remuneration from the STI programme is subject to a ceiling, which means that Clas Ohlson can calculate maximum remuneration levels from the beginning. Insofar as performance does not match the lowest performance level, no STI will be paid. STI will depend on the position held and may not exceed 60 per cent of salary if the ceiling is achieved, which also represents the maximum outcome of STI. STI remuneration is also conditional upon the performance on which earnings are based being sustainable over time, and that Clas Ohlson is able to reclaim such remuneration that was paid due to information that later turned out to be obviously erroneous.

Long Term Incentive, LTI

The aim of LTI programmes is to create the prerequisites for retaining and recruiting competent employees to the Group. The programmes were designed to encourage participants to become shareholders in the company, which is expected to have a positive impact on their long-term work performance. Connecting participants' rewards to the company's profit and value development will continue to promote company loyalty and thus sustainable value growth in the company.

Long-term incentive programmes that entitle employees to acquire shares are subject to AGM approval. The performance period for LTI 2020, LTI 2021 and LTI 2022 were in effect during the financial year. The performance period for LTI 2020 was concluded after the close of the financial year. LTI 2020 is a share matching and profit-based employee stock option plan, while LTI 2021 and LTI 2022 encompasses performance shares.

All ongoing long-term incentive programmes have been approved by an Annual General Meeting. The current programmes cover senior management and other individuals deemed to be able to influence Clas Ohlson's long-term performance. LTI 2020 encompasses up to 100 participants and LTI 2021 and LTI 2022 up to 50 participants.

Structure LTI 2020

The participants in LTI 2020 have been divided into two groups:

1. senior management comprising senior executives including the CEO, Group Management and positions elected by the Board, regarded as having considerable potential in their present positions to influence Clas Ohlson AB's long-term performance ("senior management").
2. other employees who could become senior management or assume other key positions within the Group and thus influence Clas Ohlson AB's long-term performance ("key individuals").

For senior management (group 1), LTI 2020 entails that the participants acquire series B shares in Clas Ohlson corresponding to a value of not less than 3 per cent and not more than 10 per cent of their annual basic salary. Partici-

pants acquire series B Clas Ohlson shares, at market price, which the company will later match (1:1) free of charge through allotment of matching shares. If the employee holds the acquired shares and is still employed by the Group after the end of the performance period, the company will issue matching shares to the employee. The employee may also be allotted profit-based employee stock options, see the description below.

For key individuals (group 2), LTI 2020 entails that participants receive an allotment of conditional performance-based employee stock options free of charge. The number of allocated employee stock options is based on the calculated number of shares, which, at the prevailing market price at the start of the programme, corresponds to a value of a minimum of 3 per cent and a maximum of 10 per cent of the key individual's annual basic salary.

Employee stock options are allocated free of charge and each stock option entitles the holder to acquire one series B Clas Ohlson share. The price per share when the option is exercised is calculated at 100 per cent of the average of the volume-weighted average price paid for the series B Clas Ohlson share on the Nasdaq Stockholm established for each day during a period of 10 trading days prior to the acquisition period. The exercise price for LTI 2020 has been set at 99.90 SEK. The options may be exercised not earlier than three years and not later than seven years from the date of allotment. For an option to be exercised, the holder must still be employed by the Clas Ohlson Group and have retained his/her personal investment (group 1) for three years from the date of allotment. The option holdings do not provide entitlement to receive dividends on the underlying shares.

The number of employee stock options that may be exercised by participants of LTI 2020 depends on the number of series B shares that the employee has acquired within the framework of the programme or the number of shares that the key individual's salary corresponded to at the start of the programme (at least 3 and a maximum of 10 per cent), and whether the company's growth and profit growth during the first three financial years increase to the levels set by the Board. Entry, Target and Stretch, with a straight-line increase between each profit level.

Entry is a minimum level that must be exceeded in order for an employee stock option to be exercised. The three levels correspond to the following number of employee stock options:

- Entry: 5 options per acquired/calculated series B share
- Target: 10 options per acquired/calculated series B share
- Stretch: 15 options per acquired/calculated series B share

In addition to the levels described above, there is a "Max" level. This level is conditional upon the existence of a specific situation and a single senior manager fulfilling the exceptional tasks resolved by the Board. The level corresponds to a maximum of 25 options per acquired series B share.

Accordingly, the total number of employee stock options that may be exercised by each participant is limited to 15 options (25 options for exceptional tasks) per acquired/calculated B share.

It was not possible to exercise any of the options for LTI 2020 on 30 April 2023. The number that may be exercised after three years is based on the achievement of growth and profit targets in accordance with the above.

Structure of LTI 2021 and LTI 2022

From LTI 2021, the programme was changed in that all participants of the LTI received one performance share award free of charge that provides the participant the opportunity to be allotted a number of series B shares in Clas Ohlson, provided that the performance conditions of the LTI determined by the Board have been fulfilled. The value of the underlying shares offered when granted a performance share award will be 45 per cent of the individual fixed annual gross basic salary. The amount is divided by the share price at the start of the programme to calculate the number of underlying shares for each participant. The participants comprise senior management and key individuals. Any allotment of performance shares will take place after the end of a three-year vesting period provided that the participant has been a permanent employee for the entire vesting period and the predetermined performance targets have been achieved.

The assessment of the outcome of the performance conditions is split as follows: net sales (30 per cent), earnings per share (40 per cent) and sustainability (30 per cent). The outcome for each performance condition will be determined individually. This means that not all performance conditions need to be met in order for the Performance Shares to be allotted. Minimum and maximum levels are set for each performance condition. If the minimum level is achieved, 30 per cent allotment related to the performance condition will take place. If the maximum level is achieved or exceeded, the maximum allotment related to the performance condition will take place. If the outcome is between the minimum and maximum levels, straight-line allotment takes place and no allotment takes place if the minimum level is achieved. The number of performance shares that can be allotted for each share right will be adjusted for any dividends made during the period from the determination of the opening value up until the date of the allotment of the performance shares after the end of the vesting period.

Financial year

The sum that is expensed is based on the level of 0 options per share for LTI 2020. Allotment of 65 per cent was expensed for LTI 2021 and LTI 2022. The total outcome for all ongoing LTI programmes during the financial year (LTI 2020, LTI 2021 and LTI 2022) was a cost in profit or loss of 2.3 MSEK, including social security contributions. Last year the corresponding figure was a total cost of 4.6 MSEK.

In accordance with the below, LTI 2021 and LTI 2022 will include the following number of series B shares for the various participant categories if the target level between minimum and maximum are achieved.

Extent of LTI 2021 and LTI 2022 at target level

Participants	LTI 2021	
	Performance shares No. of series B shares ¹	Target value, MSEK ²
President and CEO	20,077	1.9
Other members of Group Management	29,298	2.8
Other participants	59,405	5.6
Total	108,780	10.3

Participants	LTI 2022	
	Performance shares No. of series B shares ¹	Target value, MSEK ²
President and CEO	17,872	1.9
Other members of Group Management	30,116	3.3
Other participants	85,575	9.3
Total	133,564	14.5

¹ The number of shares and employee stock options may be recalculated due to decisions concerning a possible new share issue or split.

² The target value of the programme is calculated based on the fair value on the date of allotment. The share value on the date of allotment was 94.70 SEK for LTI 2021 and 108.74 SEK for LTI 2022.

Share awards outstanding

The table below outlines the number of granted, forfeited and exercised share awards during this and previous financial year:

Share awards	2022/23	
	LTI 2020	LTI 2019
At 1 May	724	5,232
Granted		
Forfeited		
Exercised		-5,232
At 30 April	724	0

Share awards	2021/22		
	LTI 2020	LTI 2019	LTI 2018
At 1 May	2,934	5,232	5,916
Granted			
Forfeited	-2,210		
Exercised			-5,916
At 30 April	724	5,232	0

Performance share awards outstanding

The table below outlines the number of granted, forfeited and exercised performance share awards during this financial year:

Performance share awards	LTI 2022	LTI 2021
At 1 May	0	229,167
Granted	225,121	
Forfeited	-19,638	-61,813
Exercised	0	0
At 30 April	205,483	167,354

Participants	LTI 2022	LTI 2021
President and CEO	27,496	30,887
Other senior management	46,333	45,074
Other participants	131,654	91,393
Total	205,483	167,354

LTI 2020 result

The qualification and performance periods for LTI 2020 ran from 1 May 2020 until 30 April 2023. A total of 724 shares were allotted on 2 May, after the end of the financial year, in accordance with the AGM's resolution regarding share matching of one share per share purchased to those participants who remained employed after the three-year qualification period. The established performance criteria regarding average sales growth and increased earnings per share for the period 2020-2023 were not achieved, meaning that no options were allotted to the participants and, accordingly, the LTI 2020 has been concluded.

The table below outlines the number of awarded matching shares and options for LTI 2020.

Participants	Allotment LTI 2020	
	Matching shares	Options
President and CEO	0	0
Other senior management	724	0
Other participants	0	0
Total	724	0

Share repurchase for LTI programmes

Clas Ohlson repurchased series B Clas Ohlson shares to fulfil the company's long-term obligations under the incentive programmes. Repurchased shares will be allotted, sold to participants or to correspond to social security contributions.

Pensions and other benefits

Pension agreements will, if possible, be defined-contribution and formulated in accordance with levels and practices applicable in the country in which the senior manager is employed. Other benefits may occur in accordance with the terms applicable in the country in which the senior manager is employed. However, such benefits may not constitute a major portion of the combined remuneration.

Note 7 Remuneration to auditors

Deloitte	Group		Parent Company	
	2022/23	2021/22	2022/23	2021/22
Audit engagement	2.0	1.7	1.4	1.2
Remuneration for audit-related services	0.0	0.0	0.0	0.0
Tax consultations	0.0	0.1	0.0	0.0
Other	0.3	0.1	0.0	0.0
Total	2.3	1.9	1.4	1.2

Note 8 Financial income and expenses

Financial income is distributed as follows:

Group	2022/23	2021/22
	Interest income	2.6
Interest income Leasing	0.8	1.0
Total	3.4	2.0

Parent Company	2022/23	2021/22
	Interest income	2.0
Interest income, subsidiaries	1.2	0.9
Total	3.3	1.4

Financial expenses are distributed as follows:

Group	2022/23	2021/22
	Interest expenses	-8.2
Interest expenses leasing	-57.8	-62.7
Total	-65.9	-65.1

Parent Company	2022/23	2021/22
	Interest expenses	-8.1
Interest expenses, subsidiaries	-5.4	-0.8
Total	-13.4	-3.2

Note 9 Income tax

	Group		Parent Company	
	2022/23	2021/22	2022/23	2021/22
<i>Tax on profit for the year</i>				
Income tax on profit for the year	-101.7	-132.8	-48.6	-90.9
	-101.7	-132.8	-48.6	-90.9
<i>Deferred tax</i>				
Deferred tax pertaining to temporary differences	39.8	-1.0	-0.5	-0.1
Total recognised tax expense	-61.8	-133.9	-49.1	-91.1
<i>Reconciliation of applicable tax rate and effective rate</i>				
Recognised profit before tax	242.4	656.4	340.4	605.7
Income tax according to the Swedish tax rate (20.6%)	-49.9	-135.2	-70.1	-124.8
<i>Tax effect of:</i>				
Differences in foreign tax rates	-2.2	-2.3	0.0	0.0
Non-deductible/non-taxable	-4.3	0.0	-1.9	-1.3
Adjustment earlier taxation	0.3	0.0	0.3	0.0
Tax-free dividend subsidiaries	0.0	0.0	25.0	36.7
Other	-5.7	3.6	-2.4	-1.7
Recognised tax expense	-61.8	-133.9	-49.2	-91.1
Applicable tax rate for income tax, %	20.6	20.6	20.6	20.6
Effective tax rate, %	25.5	20.4	14.4	15.0
Deferred tax items recognised directly in equity	-5.4	-9.5	0.0	0.0
Deferred tax assets	71.3	66.9	3.6	4.1
Deferred tax liabilities	-175.9	-205.2	0.0	0.0

Group 2022/23	Amount at start of year	Recognised in profit or loss	Recognised in comprehensive income	Reclassification/ Translation differences	Amount at the end of year
	<i>Change in deferred tax in temporary differences during the year</i>				
Inter-company profit in inventories	19.0	12.0	0.0	0.0	31.0
Accruals and deferrals	4.9	0.7	0.0	0.0	5.6
Pensions	7.3	1.9	0.0	-0.7	8.4
Untaxed reserves	-200.8	29.5	0.0	0.0	-171.3
Hedge accounting	-3.2	0.0	-4.4	0.0	-7.6
Leasing	33.0	-4.1	-1.0	0.0	27.9
Other	0.2	0.0	0.0	0.0	0.2
Translation differences	1.2	0.0	0.0	0.0	1.2
Total	-138.4	39.9	-5.4	-0.7	-104.7

The Group does not have any unrecognised deferred tax assets or tax liabilities on temporary differences.

Group 2021/22	Amount at start of year	Recognised in profit or loss	Recognised in comprehensive income	Reclassification/ Translation differences	Amount at the end of year
	<i>Change in deferred tax in temporary differences during the year</i>				
Inter-company profit in inventories	22.0	-3.0	0.0	0.0	19.0
Accruals and deferrals	5.1	-0.2	0.0	0.0	4.9
Pensions	6.7	0.6	0.0	0.0	7.3
Untaxed reserves	-205.0	4.2	0.0	0.0	-200.8
Hedge accounting	6.3	0.0	-9.5	0.0	-3.2
Leasing	35.0	-2.5	0.6	0.0	33.0
Other	0.2	0.0	0.0	0.0	0.2
Translation differences	0.0	0.0	1.2	0.0	1.2
Total	-129.6	-1.0	-7.7	0.0	-138.4

Note 10 Earnings per share*

Group	2022/23	2021/22
<i>Earnings per share before dilution</i>		
Profit for the year	180.6	522.5
Average number of shares before dilution	63.4	63.4
Earnings per share before dilution	2.85	8.25
<i>Earnings per share after dilution</i>		
Profit for the year	180.6	522.5
Average number of shares before dilution	63.4	63.4
Adjusted for:		
- share savings programme	0.0	0.0
Average number of shares after dilution	63.4	63.4
Earnings per share after dilution	2.85	8.25

*Number of shares are expressed in millions of shares.

Earnings per share before and after dilution

The calculation of earnings per share has been based on profit for the year, totalling 180.6 MSEK (522.5) and on an average number of shares outstanding before and after dilution during both 2022/23 and 2021/22.

Note 11 Dividend per share

The dividends paid in 2022/23 and 2021/22 totalled 823.6 MSEK (13.00 SEK per share) and 395.9 MSEK (6.25 SEK per share). The Board will propose at the Annual General Meeting on 8 September to pay a dividend for the 2022/23 financial year of 1.50 SEK per share. It is proposed that payment be made in September 2023. The proposed dividend amounts to a total of 98 MSEK, representing 54 per cent of the financial year's profit after tax.

Note 12 Non-current assets

	Group		Parent Company	
	2022/23	2021/22	2022/23	2021/22
<i>Intangible assets</i>				
Capitalised IT and software costs				
Opening accumulated acquisition cost	955.0	902.0	952.8	902.0
Acquisitions for the year	35.9	53.0	33.2	50.8
Reclassifications	0.0	0.0	0.0	0.0
Sales and disposals	-164.4	0.0	-164.4	0.0
Closing accumulated acquisition cost	826.5	955.0	821.6	952.8
Opening accumulated depreciation cost	-468.6	-363.7	-468.6	-363.7
Depreciation for the year	-104.3	-104.9	-103.6	-104.9
Reclassifications	0.0	0.0	0.0	0.0
Impairment	-24.2	0.0	-24.2	0.0
Sales and disposals	78.2	0.0	78.2	0.0
Closing accumulated depreciation cost	-518.9	-468.6	-518.3	-468.6
Closing residual value according to plan	307.5	486.4	303.4	484.2

	Group		Parent Company	
	2022/23	2021/22	2022/23	2021/22
<i>Tangible assets</i>				
Land and buildings				
Opening accumulated acquisition cost	753.2	754.8	753.2	754.8
Acquisitions for the year	0.0	0.6	0.0	0.6
Reclassifications	0.0	0.0	0.0	0.0
Sales and disposals	0.0	-2.2	0.0	-2.2
Translation differences	0.0	0.0	0.0	0.0
Closing accumulated acquisition cost	753.2	753.2	753.2	753.2
Opening accumulated depreciation cost	-477.9	-452.1	-477.9	-452.1
Depreciation for the year	-27.0	-27.1	-27.0	-27.1
Reclassifications	0.0	0.0	0.0	0.0
Sales and disposals	0.0	1.2	0.0	1.2
Translation differences	0.0	0.0	0.0	0.0
Closing accumulated depreciation cost	-504.9	-477.9	-504.9	-477.9
Closing residual value according to plan	248.3	275.3	248.3	275.3
Carrying amount, land	6.5	6.5	6.5	6.5

	Group		Parent Company	
	2022/23	2021/22	2022/23	2021/22
<i>Equipment, tools, fixtures and fittings</i>				
Opening accumulated acquisition cost	1,832.1	1,789.9	1,158.1	1,156.9
Acquisitions for the year	87.5	98.8	51.5	42.0
Reclassifications	11.4	0.0	0.0	0.0
Sales and disposals	-129.6	-73.4	-61.0	-40.8
Translation differences	-26.2	16.7	0.0	0.0
Closing accumulated acquisition cost	1,775.2	1,832.1	1,148.7	1,158.1
Opening accumulated depreciation cost	-1,369.7	-1,305.9	-904.6	-878.5
Depreciation for the year	-115.1	-119.2	-61.7	-63.3
Reclassifications	-11.4	0.0	0.0	0.0
Sales and disposals	115.5	67.2	52.6	37.3
Translation differences	19.3	-11.9	0.0	0.0
Closing accumulated depreciation cost	-1,361.5	-1,369.7	-913.8	-904.6
Closing residual value according to plan	413.7	462.4	235.0	253.6

	Parent Company	
	2022/23	2021/22
<i>Financial non-current assets</i>		
Opening accumulated acquisition cost	52.2	46.7
Increase/decrease in non-current receivables	-2.8	5.5
Closing accumulated acquisition cost	49.4	52.2

	Group		Parent Company	
	2022/23	2021/22	2022/23	2021/22
<i>Securities held as fixed assets, valued at fair value*</i>				
Securities held as fixed assets, valued at fair value at the start of the year	158.0	305.8	158.0	305.8
Change in fair value during the year	-148.6	-147.8	-148.6	-147.8
Securities held as fixed assets, valued at fair value at the end of the year	9.5	158.0	9.5	158.0

*According to level three in the fair value hierarchy, see Note 20

	Group	
	2022/23	2021/22
<i>IFRS 16 Facilities</i>		
Opening accumulated acquisition cost	5,033.8	4,963.6
Additional right-of-use assets	196.1	105.6
Renegotiated leases	221.1	143.0
Terminated leases	-478.7	-247.1
Translation differences	-80.1	68.7
Closing accumulated acquisition cost	4,892.1	5,033.8
Opening accumulated depreciation cost	-3,388.0	-3,087.6
Depreciation for the year	-517.0	-493.4
Terminated leases	484.6	237.2
Translation differences	53.6	-44.2
Closing accumulated depreciation cost	-3,366.8	-3,388.0
Closing residual value according to plan	1,525.2	1,645.8

	Group	
	2022/23	2021/22
<i>IFRS 16 Cars</i>		
Opening accumulated acquisition cost	4.4	3.5
Additional right-of-use assets	4.0	1.5
Renegotiated leases	0.3	0.3
Terminated leases	-1.0	-0.9
Translation differences	0.1	0.1
Closing accumulated acquisition cost	7.8	4.4

Opening accumulated depreciation cost	-2.2	-1.9
Depreciation for the year	-1.9	-1.2
Terminated leases	1.0	0.9
Translation differences	0.0	0.0
Closing accumulated depreciation cost	-3.1	-2.2
Closing residual value according to plan	4.6	2.2

	Group	
	2022/23	2021/22
<i>IFRS 16 Other</i>		
Opening accumulated acquisition cost	51.6	50.9
Additional right-of-use assets	0.4	0.8
Renegotiated leases	0.0	0.0
Terminated leases	0.0	-0.1
Translation differences	0.0	0.0
Closing accumulated acquisition cost	52.0	51.6
Opening accumulated depreciation cost	-20.8	-13.5
Depreciation for the year	-7.5	-7.4
Terminated leases	0.0	0.1
Translation differences	0.0	0.0
Closing accumulated depreciation cost	-28.3	-20.8
Closing residual value according to plan	23.7	30.8

Investment commitments

Contracted investments on the balance sheet date not yet recognised in the financial statements:

	Group		Parent Company	
	2022/23	2021/22	2022/23	2021/22
Equipment, tools, fixtures and fittings	9.5	1.7	5.0	1.5

Note 13 Inventories

	Group		Parent Company	
	2022/23	2021/22	2022/23	2021/22
Merchandise	2,177.1	2,198.6	1,599.1	1,636.6
Total	2,177.1	2,198.6	1,599.1	1,636.6
Of which open purchase	2.4	1.6	1.1	0.7
Cost of goods sold	5,640.6	5,178.9	5,581.4	5,094.8
Of which, obsolescence	7.0	-2.6	3.7	-1.2

Obsolescence is calculated based on individual assessment on the basis of age analysis in stores and the distribution centre.

Note 14 Accounts receivable

	Group		Parent Company	
	2022/23	2021/22	2022/23	2021/22
Accounts receivable	51.1	57.6	33.1	32.6
Total	51.1	57.6	33.1	32.6
Fair value	51.1	57.6	33.1	32.6

The reserve for expected credit losses on the balance sheet date was not material and therefore not recognised in the financial statements.

Note 15 Prepaid expenses and accrued income

	Group		Parent Company	
	2022/23	2021/22	2022/23	2021/22
Finance-related*	39.6	25.0	2.4	2.3
Sales and marketing-related	0.0	0.0	59.5	57.4
IT related	20.4	14.4	20.0	14.4
Other	13.8	22.5	7.8	11.8
Total	73.8	61.8	89.6	85.9

*Refer to Note 17 for information about forward contracts.

Note 16 Cash and cash equivalents

Group	2022/23		2021/22	
	2022/23	2021/22	2022/23	2021/22
Cash and bank balances		143.1		456.6
Group total	143.1	456.6	143.1	456.6

At the end of the year, utilised overdraft facilities in the Group, which are not included in cash and cash equivalents, totalled 244 MSEK (0), refer to Note 20.

Total credit limits granted to the Group and to the Parent Company as of 30 April 2023 amounted to 800 MSEK (650). Overdraft facilities are linked to sustainability performance targets.

Cash and cash equivalents consists of cash placements in Swedish banks, cash on the way and cash in stores.

The reserve for expected credit losses on the balance sheet date was not material and therefore not recognised in the financial statements.

Note 17 Forward contracts

Outstanding cash flow hedges as of the balance sheet date are as follows:

Currency pair	Recognised and fair value		Nominal amount		Average remaining term in months ¹	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
Sell/buy						
NOK/SEK	19.7	-4.7	345.8	345.5	3.5	3.2
NOK/USD	17.5	20.4	349.8	388.3	2.9	3.0
Total	37.2	15.7	695.7	733.8	-	-

¹Maturity ranges from 3 May to 28 November for NOK/SEK, and from 3 May to 16 October for NOK/USD. In the preceding year, the maturity ranges were from 4 May to 29 November for NOK/SEK, and from 4 May to 20 October for NOK/USD.

Forward contracts belong to the derivative category, which is used for hedging purposes. All derivatives are measured at fair value, established by using forward contract prices on the balance sheet date, meaning, level 2 in the fair value hierarchy according to IFRS 13. There were only positive market values for the currency pairs as per 30 April 2023.

Forward contracts with negative market values totalled 0.0 MSEK (7.0), which were recognised in non-interest-bearing current liabilities. Forward contracts with positive market values amounted to 37.2 MSEK (22.7), which were recognised in the item current receivables. Forward contracts are continuously signed with terms of three to nine months.

A deferred tax liability of 7.7 MSEK (3.2) was taken into account and the remaining fair value of 29.5 MSEK (12.4) was recognised in the hedging reserve in equity. The amount for the NOK/USD forward contract was 17.5 MSEK (20.4) distributed gross between the currency pair NOK/SEK in the amount of 20.7 MSEK (-3.4) and the currency pair SEK/USD in the amount of -3.3 MSEK (23.8).

Note 18 Proposed allocation of earnings and Equity

The following earnings (TSEK) are at the disposal of the Annual General Meeting:

Profit brought forward	271,002
Fair value fund	-242,875
Profit for the year	291,296
Total	319,423

The Board proposes that profit be allocated as follows:

Dividend payable to shareholders 1.50 SEK per share	98,400 ¹
To be carried forward	221,023
Total	319,423

¹The Board of Directors proposes that a dividend of SEK 1.50 per share be paid for the 2022/23 financial year. It is proposed that payment be made in September. The proposed dividend totals 98 MSEK, which represents 54 per cent of profit after tax for the financial year.

The total number of ordinary shares is 65,600,000 (2021/22: 65,600,000) with a quotient value of 1.25. The number of series A shares is 5,760,000, while the number of series B shares is 59,840,000. Each series A share carries ten votes, while each series B share carries one vote. All issued shares are fully paid up. The company has outstanding stock option plans, whose outcome was hedged through the repurchase of 2,243,435 series B shares (2,243,435). The number of shares outstanding at the end of the year was 63,356,565 (63,356,565). The average number of shares before and after dilution is reported in Note 10. The Group's reserves contain translation differences of -70.2 MSEK (-59.0), and hedging reserve of 29.5 MSEK (12.4).

Note 19 Pension obligations

The Group has defined-benefit occupational pension plans for only a few employed salaried employees. The following tables provide an overview of the items included in the net expense for the remuneration recognised in the consolidated income statement for the Group's defined-benefit pension plans. The amounts for the pension plans are also recognised in the consolidated balance sheet. For more information, refer to pages 45-46.

Changes in the asset/liability recognised in the balance sheet are:

	2022/23	2021/22
At the start of the year	1.2	1.2
Net pension cost	-0.3	-0.1
Employer contributions	0.0	0.0
Exchange rate differences	-0.1	0.0
Recognised provision for defined-benefit obligations	0.8	1.2

Pension obligations:

	2022/23	2021/22
Present value of defined-benefit obligations	1.9	2.3
Fair value of plan assets	2.7	3.5
Actuarial gains/losses	0.0	0.0
Recognised asset in balance sheet for pension obligations	0.8	1.2

Defined-contribution plans

Defined-contribution plans exist in Sweden, Norway and Finland. Payments to these plans are made continuously according to the rules of each plan.

	2022/23	2021/22
Group	90.5	91.7
Parent Company	50.3	57.5

For salaried employees in Sweden, the ITP 2 plan's defined-benefit pension obligations retirement and family pensions are insured on the basis of insurance with Alec-ta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Reporting of ITP 2 pension plans financed through insurance in Alec-ta, this is a multi-employer defined-benefit plan. For the current financial year, the company did not have access to information to recognise its proportionate share of the plan's obligations, plan assets and expenses, which entails that the plan cannot be recognised as a defined-benefit plan. The ITP 2 pension plan insured through insurance with Alec-ta is therefore recognised as a defined-contribution plan. The premium for the defined-benefit retirement and family pensions are individually calculated and depend on such factors as salary, previously earned pension and expected remaining service period. The expected contributions for the next reporting period for ITP 2 insurance policies taken out with Alec-ta amount to 8.9 MSEK (10.8).

The collective funding ratio comprises the market value of Alec-ta's assets as a percentage of the insurance commitments calculated according to Alec-ta's actuarial methods and assumptions, which do not comply with IAS 19. The collective funding ratio is normally permitted to vary between 125 and 175 per cent. To strengthen the collective funding ratio if it is deemed to be too low, a measure could be raising the contracted price for new policies and expanding existing benefits. If the collective funding ratio exceeds 150 per cent, premium reductions may be introduced. At the end of 2022, Alec-ta's surplus in the form of the collective funding ratio was 172 per cent (172).

Note 20 Financial instruments

Carrying amounts													
2022/23	Level	Received contractual cash flows		Received contractual cash flows and sale of financial assets		Other assets		Financial liabilities measured at amortised cost		Financial liabilities measured at fair value through comprehensive income		Total	
		Financial assets measured at amortised cost		Financial assets measured at fair value through other comprehensive income		Financial assets measured at fair value through profit or loss		Financial liabilities measured at amortised cost		Financial liabilities measured at fair value through comprehensive income		Total	
		Group	Parent Company	Group	Parent Company	Group	Parent Company	Group	Parent Company	Group	Parent Company	Group	Parent Company
Financial assets measured at fair value													
Securities held as fixed assets *	3	0.0	0.0	9.5	9.5	0.0	0.0	0.0	0.0	0.0	0.0	9.5	9.5
Financial assets not measured at fair value													
Other non-current receivables	2	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.0
Financial leases long-term	2	14.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.8	0.0
Accounts receivable	2	51.1	33.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	51.1	33.1
Financial leases short-term	2	13.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.0	0.0
Derivative and hedging instrument receivables	2	0.0	0.0	37.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	37.2	0.0
Other current receivables	2	2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.4	0.0
Cash and cash equivalents	2	143.1	52.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	143.1	52.4
Total financial assets		225.2	85.5	46.7	9.5	0.0	0.0	0.0	0.0	0.0	0.0	271.8	94.9
Financial liabilities measured at fair value													
Other non-current provisions	2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term lease liabilities**		0.0	0.0	0.0	0.0	0.0	0.0	1,111.2	0.0	0.0	0.0	1,111.2	0.0
Liabilities to credit institutions	2	0.0	0.0	0.0	0.0	0.0	0.0	244.4	244.4	0.0	0.0	244.4	244.4
Current lease liabilities**		0.0	0.0	0.0	0.0	0.0	0.0	521.2	0.0	0.0	0.0	521.2	0.0
Derivative and hedging instrument liabilities	2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other current liabilities	2	0.0	0.0	0.0	0.0	0.0	0.0	1.8	1.3	0.0	0.0	1.8	1.3
Accounts payable	2	0.0	0.0	0.0	0.0	0.0	0.0	752.7	722.8	0.0	0.0	752.7	722.8
Total financial liabilities		0.0	0.0	0.0	0.0	0.0	0.0	2,631.3	968.5	0.0	0.0	2,631.3	968.5

Fair value measured according to the three levels below:

Level 1: Fair value established based on listed prices in an active market for the same instrument.

Level 2: Fair value established based on valuation techniques with observable market data, either directly (as a price) or indirectly (derived from a price) and not included in level 1.

Level 3: Fair value established using valuation techniques, with significant input from data that is not observable in the market.

Carrying amounts													
2021/22	Level	Received contractual cash flows		Received contractual cash flows and sale of financial assets		Other assets		Financial liabilities measured at amortised cost		Financial liabilities measured at fair value through comprehensive income		Total	
		Financial assets measured at amortised cost		Financial assets measured at fair value through other comprehensive income		Financial assets measured at fair value through profit or loss		Financial liabilities measured at amortised cost		Financial liabilities measured at fair value through comprehensive income		Total	
		Group	Parent Company	Group	Parent Company	Group	Parent Company	Group	Parent Company	Group	Parent Company	Group	Parent Company
Financial assets measured at fair value													
Securities held as fixed assets *	3	0.0	0.0	158.0	158.0	0.0	0.0	0.0	0.0	0.0	0.0	158.0	158.0
Financial assets not measured at fair value													
Other non-current receivables	2	3.5	2.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.5	2.3
Financial leases long-term	2	24.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	24.3	0.0
Accounts receivable	2	57.6	32.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	57.6	32.6
Financial leases short-term	2	10.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.2	0.0
Derivative and hedging instrument receivables	2	0.0	0.0	22.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	22.7	0.0
Other current receivables	2	2.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.4	0.0
Cash and cash equivalents	2	456.6	375.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	456.6	375.8
Total financial assets		554.7	410.8	180.7	158.0	0.0	0.0	0.0	0.0	0.0	0.0	735.4	568.9
Financial liabilities measured at fair value													
Other non-current provisions	2	0.0	0.0	0.0	0.0	0.0	0.0	4.0	0.0	0.0	0.0	4.0	0.0
Long-term lease liabilities**		0.0	0.0	0.0	0.0	0.0	0.0	1,255.3	0.0	0.0	0.0	1,255.3	0.0
Liabilities to credit institutions	2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current lease liabilities**		0.0	0.0	0.0	0.0	0.0	0.0	534.4	0.0	0.0	0.0	534.4	0.0
Derivative and hedging instrument liabilities	2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.0	0.0	7.0	0.0
Other current liabilities	2	0.0	0.0	0.0	0.0	0.0	0.0	1.5	1.3	0.0	0.0	1.5	1.3
Accounts payable	2	0.0	0.0	0.0	0.0	0.0	0.0	770.8	732.9	0.0	0.0	770.8	732.9
Total financial liabilities		0.0	0.0	0.0	0.0	0.0	0.0	2,566.0	734.1	7.0	0.0	2,573.0	734.1

For other financial assets and liabilities, the carrying amount corresponds to a reasonable approximation of the fair value.

* Valuation of securities held as fixed assets according to level three in the fair value hierarchy. For more information, refer to Note 25

** Lease liabilities are measured according to IFRS 16

Note 21 Accrued expenses and prepaid income

	Group		Parent Company	
	2022/23	2021/22	2022/23	2021/22
Accrued payroll expenses	119.5	144.1	73.9	82.1
Accrued holiday pay expenses	203.7	211.1	122.7	126.3
Accrued social security contributions	103.8	112.5	83.9	90.9
Other items	90.8	145.2	55.7	97.4
Total	517.7	612.9	336.2	396.7

Note 22 Contract liabilities**Sales-related contract liabilities**

Sales-related contract liabilities refer to contract liabilities for guarantee commitments, unredeemed gift cards, open purchases and accrued bonus points in our Club Clas loyalty programme. All contract liabilities are expected to be utilised within the next financial year.

Open purchase

Clas Ohlson offers its customers open purchase for 365 days. Most of the returns occur during the week following the purchase. Every month, sales are adjusted taking into account the estimated proportion of returns.

Club Clas

Members of the Clas Ohlson's loyalty programme, Club Clas, receive bonus cheques in various amounts depending on the amount of purchases the customer made at Clas Ohlson. The cheques are distributed continuously and are valid for three to six months. All issued bonus cheques are not redeemed which is why each sale in the loyalty programme is reduced by the fair amount with respect to future redemption of bonus cheques, considering the current degree of redemption.

2022/23	Guarantee commitments and open purchase		Unredeemed gift cards and loyalty programme	
	Group	Parent Company	Group	Parent Company
Opening provisions	13.6	6.7	64.8	55.2
Utilised during the year	-13.6	-6.7	-64.8	-55.2
Allocated during the year	12.7	7.4	82.6	65.7
Total	12.7	7.4	82.6	65.7

2021/22	Guarantee commitments and open purchase		Unredeemed gift cards and loyalty programme	
	Group	Parent Company	Group	Parent Company
Opening provisions	12.2	6.6	61.1	50.6
Utilised during the year	-12.2	-6.6	-61.1	-50.6
Allocated during the year	13.6	6.7	64.8	55.2
Total	13.6	6.7	64.8	55.2

Note 23 Inter-Group transactions

Of the Parent Company's invoiced sales, intra-Group sales accounted for 3,340.1 MSEK (3,205.5). Of this amount, 2,767.6 MSEK (2,640.5) is related to sales to Clas Ohlson AS in Norway, 571.1 MSEK (552.2) to sales to Clas Ohlson OY in Finland and 1.4 MSEK (12.8) to sales to Clas Ohlson Ltd in the UK. No purchases were made from subsidiaries.

The Parent Company has only internal receivables in its wholly owned subsidiaries. The impairment model for receivables in IFRS 9 has only a marginal impact on the Parent Company. The Parent Company estimates (based on historical data) that no losses will arise on these internal receivables and thus no provision is made. However, the Parent Company regularly analyses the value of the internal receivables. If there is the risk that the value of a receivable has significantly declined, the receivable is impaired.

Note 24 Participations in Group companies

Parent Company	2022/23	2021/22
Accumulated cost		
At the start of the year	45.5	39.3
Acquisitions	0.0	6.3
Total	45.5	45.5

The table below shows Clas Ohlson AB's holding of shares and participations in subsidiaries according to the balance sheet on 30 April. All companies are 100 per cent owned.

Holding of shares and participations in subsidiaries for Clas Ohlson AB:

Country	Company	Registered office	Corp. Reg. No.	30 Apr 2023		30 Apr 2022	
				Number of participations	Value MSEK	Number of participations	Value MSEK
Norway	Clas Ohlson AS	Oslo	NO 937402198	10,000	0.1	10,000	0.1
Finland	Clas Ohlson OY	Helsinki	FI 1765891-7	500,000	4.7	500,000	4.7
UK	Clas Ohlson Ltd	London	6298382	300,000	4.0	300,000	4.0
Germany	Clas Ohlson GmbH	Hamburg	HRB 130004	1	9.3	1	9.3
China	Clas Ohlson (Shanghai) Co, Ltd	Shanghai	310000400574190	1,500,000	11.3	1,500,000	11.3
Sweden	C/O P Investment AB	Stockholm	559160-9903	1,000	16.3	1,000	16.3
Poland	Clas Ohlson Sp. Z.o.o.	Warsaw	944416	100	0.0	100	0.0
Total					45.5		45.5

Note 25 Securities held as fixed assets

The table below indicates fair value for financial assets in the Group. The financial instruments are categorised at three levels based on fair value measurement:

Level 1: Fair value established based on listed prices in an active market for the same instrument.

Level 2: Fair value established based on valuation techniques with observable market data, either directly (as a price) or indirectly (derived from a price) and not included in level 1.

Level 3: Fair value established using valuation techniques, with significant input from data that is not observable in the market.

Parent Company	2022/23	2021/22
Securities held as fixed assets, measured at fair value at the start of the year	158.0	305.8
Change in fair value during the year	-148.6	-147.8
Securities held as fixed assets, measured at fair value at the end of the year	9.5	158.0

Valuation method for securities held as fixed assets, level 3:

Company: Mathem i Sverige AB

Valuation assumptions: The estimated valuation entails applying a multiple of 0.5 times the company's revenue on 31 December 2022 and is based on the most recently available last 12 months' revenue. Mathem's capital requirements were taken into account in the valuation, and based on the sales multiple Mathem is valued by applying a discount of 86 per cent compared with the benchmark group comprising warehousing e-com companies. Equity value of 9.5 MSEK. A +/- 10 per cent change in the multiple would have an impact of +/- 0.9 MSEK on fair value. Fair value changes are accounted for in comprehensive income.

Investment in Mathem's equity instrument is not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the directors of the Company have elected to designate the investment in equity instrument as at FVTOCI (Fair Value Through the statement of Other Comprehensive Income) as they believe that recognising short-term fluctuations in the investment's fair value in profit or loss would not be consistent with the Group's strategy of holding the investment for long-term purposes and realising their performance potential in the long run.

No dividends was received from equity investment designated as at FVTOCI.

Holding of securities held as fixed assets for Clas Ohlson AB:

Country	Company	Registered office	Corp. Reg. No.	Number of participations	Percentage of votes	30 Apr 2023	30 Apr 2022
						Value MSEK	Value MSEK
Sweden	Mathem i Sverige AB	Stockholm	556775-7264	761,480	5%	9.5	158.0
Total						9.5	158.0

Note 26 Appropriations

Parent Company	2022/23	2021/22
<i>The difference between recognised depreciation and depreciation according to plan:</i>		
– equipment, tools, fixtures and fittings	118.2	19.1
<i>Provision for tax allocation reserve</i>		
Provisions/reversal for the year	57.0	-17.4
Parent Company total	175.2	1.7

Note 27 Cash and bank balances

Parent Company	2022/23	2021/22
Cash and bank balances	52.4	375.8
Parent Company total	52.4	375.8

At the end of the year, utilised overdraft facilities in the Group, which are not included in cash and cash equivalents, totalled 244 MSEK (0). Total credit limits granted in the Group and in the Parent Company amounted to 800 MSEK (650) at the end of the year. Overdraft facilities are linked to sustainability performance targets.

The reserve for expected credit losses on the balance sheet date was not material and therefore not recognised in the financial statements.

Note 28 Untaxed reserves

Parent Company	2022/23	2021/22
<i>Accumulated difference between recognised depreciation and depreciation according to plan:</i>		
Equipment, tools, fixtures and fittings	346.5	464.6
<i>Provision for tax allocation reserve</i>		
2016/17	0.0	131.0
2017/18	63.0	63.0
2018/19	0.0	0.0
2019/20	72.0	72.0
2020/21	110.0	110.0
2021/22	140.0	140.0
2022/23	74.0	0.0
Parent Company total	805.5	980.6

Note 29 Pledged assets

	Group		Parent Company	
	2022/23	2021/22	2022/23	2021/22
Cash and cash equivalents	0.0	0.0	0.0	0.0
Total pledged assets	0.0	0.0	0.0	0.0

The company has no collateral for own obligations pertaining to currency forward contracts. Regarding utilised overdraft facilities, the company's reports financial covenants, for which the company met the terms and conditions by a healthy margin. Utilised overdraft facilities in the Group and Parent Company amounted to 244 MSEK (0.0) at the end of the year. Total credit limits granted in the Group and in the Parent Company amounts to 800 MSEK (650).

Note 30 Leases**Balance sheet:**

	Group	
	2022/23	2021/22
Right-of-use assets		
Facilities	1,525.2	1,645.8
Cars	4.6	2.2
Other	23.7	30.8
Closing balance at 30 April	1,553.6	1,678.8

For further description of right-of-use assets, refer to Note 12.

Income statement:

	2022/23	2021/22
Depreciation of right-of-use assets	-526.4	-501.9
Interest on lease liabilities	-57.0	-61.7
Variable lease payments	-19.8	-16.6
Costs of low value leases, not short-term low-value leases	-25.7	-18.2
Revenue from sublease of right-of-use assets	13.3	9.0
Total result effects attributable to leases	-615.5	-589.4

The method for determining the discount rate is described in more detail in Note 1.

Cash flows:

	2022/23	2021/22
Interest	-57.0	-61.7
Amortisation	-549.5	-514.1
Payment of variable, short-term and low-value lease payments	-45.5	-34.8
Revenue from sublease of right-of-use assets	13.3	9.0
Total cash flow effects attributable to leases	-638.6	-601.6

For information on the maturity structure of the Group's lease payments, refer to Note 2 on page 50.

Change in lease liability	2022/23	2021/22
Lease liability at 1 May	1,789.7	2,041.6
New and changed leases	421.3	236.1
Amortisation	-549.5	-514.1
Translation differences	-29.1	26.1
Lease liability at 30 April	1,632.4	1,789.7

Leases of facilities

The Group's leases of facilities refer to stores, offices and warehouses. The leases normally have a term of between three and ten years. The structure of payments in the leases varies between completed fixed lease payments and leases with a varying degree of variable lease payments. The variable lease payments are based on both changes in the Group's sales in the leased premises during the year and property tax charged by the property owner. Sales-based lease payments totalled approximately 20 MSEK for 2022/23, which were charged to the income statement for the financial year. Index clauses are in-

cluded in the majority of all leases in which the lease level is linked to index adjustments in each country. Joint expenses for marketing and other services are managed as operating expenses. The Group subleases a few premises where majority of the leases are classified as operating leases and one as financial lease.

Extension and termination options

Extension and termination options are included in most leases whereby we as a tenant have the option to terminate a lease in advance or extend the lease for a certain period of time. An individual assessment is made on the commencement date of each lease as to whether it is reasonably certain that such an option will be exercised. A number of parameters are taken into account in such an assessment, related to whether the option of extending or terminating a lease falls within the time range of the Group's long-term business plan (5 years), and based on the current profitability of the store and its strategic location. The leases differ slightly between countries with extension options mainly being included in leases in the Norwegian options and termination options mainly being included in leases in the Swedish operations. Both extension and termination options were taken into consideration when determining the lease liability. An updated assessment and review take place upon occurrence of either a significant event or a significant change in circumstances that is within the control of the Group.

Leases in the Parent Company:

The Parent Company leases stores, offices and warehouse premises that in accordance with RFR 2 are classified as operating leases.

	Parent Company	
	2022/23	2021/22
Leasing expenses for the year	364.7	362.1
Contracted future rents		
Within a year	242.9	256.6
Between one and four years	425.7	443.1
More than four years	100.9	123.1
Total lease commitments	769.5	822.8

Parent Company	2022/23	2021/22
<i>Contingent liabilities, Parent Company</i>		
Guarantee in favour of Group companies pertaining to future rental commitments	162.6	189.5

Note 31 Related-party transactions

The number of shareholders in the Parent Company totalled 47,109 at the end of the financial year. The major shareholders are Clas Ohlson's descendants from the Haid and Tidstrand families, who hold 37.9 per cent of the capital and 65.3 per cent of the votes. No transactions with related parties took place during the 2022/23 or 2021/22 financial years. Remuneration of the Board and senior management is presented in Note 6 of the Annual Report. For a further description, refer to the corporate governance report on pages 26-30.

Note 32 Average number of employees

	Group		Parent Company	
	2022/23	2021/22	2022/23	2021/22
Total Sweden	1,888	1,858	1,853	1,829
– of whom, women	(896)	(887)	(891)	(882)
Total Norway	827	839		
– of whom, women	(352)	(357)		
Total Finland	348	336		
– of whom, women	(184)	(178)		
Total China	56	50		
– of whom, women	(32)	(29)		
Total UK	5	10		
– of whom, women	(3)	(5)		
Total Poland	3	1		
– of whom, women	(1)	(0)		
Total	3,128	3,093	1,853	1,829
– of whom, women	(1,468)	(1,456)	(891)	(882)

The average number of employees is based on the total number of hours worked in relation to total annual working time.

Note 33 Segment reporting

Clas Ohlson has the following segments: Sweden, Norway, Finland and Outside Nordic countries as well as Group-wide. The Group-wide segment pertains to the Group-wide functions that assist sales organisations with purchasing, distribution, marketing, management and other support. A large portion of the Group's value is generated in the Group-wide segment. The Group's internal pricing was adapted to these prerequisites. Transactions between Group-wide and the sales organisations consist primarily of deliveries and payment for goods, internal invoicing of services rendered and interest on Group-wide loans. The income measure recognised per segment consists of operating profit. Clas Ohlson has no customers that individually account for more than 10 per cent of the Group's sales.

	2022/23	2021/22
Sales per segment		
Sweden	4,087.9	3,982.0
Norway	3,888.7	3,780.0
Finland	1,035.1	966.0
Outside Nordic Countries	12.6	55.7
Group-wide	3,340.1	3,205.5
Eliminations of sales to other segments	-3,340.1	-3,205.5
Total	9,024.3	8,783.7
Operating profit per segment		
Sweden	170.5	166.0
Norway	166.0	161.4
Finland	33.9	31.6
Outside Nordic Countries	0.4	2.9
Group-wide	-65.8	357.4
Total	305.0	719.4

Assets per segment	2022/23	2021/22
Sweden	659.9	556.6
Norway	542.0	532.9
Finland	199.2	185.1
Outside Nordic Countries	2.0	14.3
Group-wide	3,563.5	4,203.0
Total	4,966.6	5,492.0

Cash and cash equivalents are not included in the tables above.

Investments and depreciation per segment	Investments		Depreciation	
	2022/23	2021/22	2022/23	2021/22
Sweden	31.9	17.5	28.2	29.0
Norway	27.0	36.5	41.3	43.0
Finland	8.5	20.0	11.6	12.3
Outside Nordic Countries	0.0	0.0	0.1	0.3
Group-wide ¹	56.0	83.8	691.6	668.6
Total	123.4	157.7	772.8	753.1

¹Investments in intangible assets amounted to 35.9 MSEK (53.0). Amortisation attributable to intangible assets amounted to 104.3 MSEK (104.9). Investment in C/O P Investment AB amounted to 0.0 MSEK (6.2).

Note 34 Events after the end of the year**End of performance period, Long-term Incentive Programme, LTI 2020**

The qualification and performance periods for LTI 2020 ran from 1 May 2020 until 30 April 2023. After the end of the reporting period, a total of 724 shares were allotted on 2 May in accordance with the AGM's resolution regarding share matching of one share per share purchased to those participants who remained employed after the three-year qualification period.

The established performance criteria regarding average sales growth and increased earnings per share for the period 2020-2023 were not achieved, meaning that no options were allotted to the participants and, accordingly, the LTI 2020 has been concluded.

Cost savings

Clas Ohlson has continued efforts to simplify and streamline the organisation. Within the context of this, the company is reducing the workforce by approximately an additional 75 full-time employees. The previously announced evaluation of the company's IT landscape continued and was essentially completed after the end of the financial year. With a more efficient organisation, a more simple way of working and a strategic direction on lowering IT costs, the company sees opportunities to consolidate and phase out additional IT systems that do not sufficiently support the business moving forward.

The measures will gradually deliver additional cost savings and reduced depreciation totalling approximately 100 MSEK on an annual basis. The measures also entail non-recurring costs of approximately 180 MSEK, of which about 165 MSEK is expected to be recognised in the first quarter of 2023/24. These non-recurring costs comprise approximately 150 MSEK of impairment of IT systems and the remaining approximately 30 MSEK is primarily costs for headcount reductions. The costs above will have a minor impact on cash flow.

Certification of the Annual Report

The consolidated financial statements have been prepared in accordance with the IFRS standards as adopted by the EU and provide a true and fair view of the Group's financial position and results of operations.

The Board of Directors and CEO assure that the consolidated financial statements have been prepared in accordance with the IFRS standards as adopted by the EU and provide a true and fair view of the Group's financial position and results. The Annual Report has been prepared in accordance with generally accepted accounting policies and provides a true and fair view of the Parent Company's financial position and results. The Directors' Report for the Group and Parent Company provides a fair review of the development of the Group and the Parent Company's operations, financial position and earnings, and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.

Insjön, 5 July 2023

Kenneth Bengtsson
Chairman of the Board

Mengmeng Du

Mathias Haid

Patrik Hofbauer

Håkan Lundstedt

Charlotte Strömberg

Göran Sundström

Anne Thorstvedt Sjöberg

Kristofer Tonström
President and CEO

Caroline Östning
Employee representative (Unionen)

Freja Drakesson
Employee representative (Handels)

Our auditor's report was submitted on 5 July 2023
Deloitte AB

Johan Telander
Authorised Public Accountant

The financial statements are to be adopted at the Annual General Meeting on 8 September 2023.

Auditor's report

To the general meeting of the shareholders of Clas Ohlson (publ) corporate identity number 5556035-8672

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Clas Ohlson (publ) for the financial year 2022-05-01 - 2023-04-30. The annual accounts and consolidated accounts of the company are included on pages 14-64 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 30 april 2023 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 30 april 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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 Board of Directors 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.

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.

Valuation of inventories

Risk description

Clas Ohlson report inventories of SEK 2,177.1 million as of April 30, 2023. Inventories comprise a substantial part of the group's assets and consists of a large number of articles assorted over 222 stores and a central warehouse. Inventory is accounted for at the lower of cost and net sales value. Inventory accounting is subject to significant judgment and estimates, mainly related to obsolescence, calculation of costs included in the inventory value and supplier bonuses. In addition, we have considered the large transaction volumes and the complexity due to the number of warehouse locations. For further information, please refer to the Risk assessment and control activities on page 30, Estimates and assumptions on page 44, group accounting principles for inventory on page 47 and note 13.

Our audit procedures

Our audit included but was not limited to the following audit procedures:

- Auditing Clas Ohlson's control environment for inventory management and procurement.
- Auditing of Clas Ohlson's applied calculations of costs included in the inventory value.
- Auditing of the inventory valuation as the lower of cost and net sales value and applied model for obsolescence.
- Completeness testing with data analytics covering all in- and outgoing deliveries from the warehouses.
- Participating in stock taking for selected stores and Clas Ohlson's distribution central in Insjön.
- Evaluating the adequacy of applied accounting principles and relevant disclosures.

Revenue recognition

Risk description

The group's sales for the fiscal year amounts to SEK 9,024.3 million. The company recognizes revenue when material performance obligations are fulfilled. Revenue recognition has been identified as a key audit matter since sales comprise a significant financial statement line item and consists of a large number of small transactions through own stores and online with upfront payment. For further information refer to Risk assessment and control activities on page 30 and note 33 segment reporting.

Our audit procedures

Our audit included but was not limited to the following audit procedures:

- Auditing of Clas Ohlson's process for revenue recognition, handling of cash and evaluation of the control environment.
- Analytical audit procedures of recorded revenue and reconciliation of total sales on receipt level traced against the corresponding movement in inventory facilitated by data analytics tools.
- Auditing of Clas Ohlson's analysis and evaluation of fluctuations in the gross margin.
- Auditing of the process of handling cash in a selection of stores.
- Auditing of online sales being reported in the correct period.
- Evaluating the adequacy of applied accounting principles and relevant disclosures.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and includes the remuneration report and the pages 2-12 and 68-103. 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 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 ac-

counts 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.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

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.

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the auditor's report.

Report on other legal and regulatory requirements

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 Clas Ohlson (publ) for the financial year 2022-05-01 - 2023-04-30 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to 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.

A further description of our responsibilities for the audit of the management's administration is located at the Swedish Inspectorate of Auditors website: www.revisors-inspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description forms part of the auditor's report.

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 Clas Ohlson (publ) for the financial year 2022-05-01 - 2023-04-30. 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 Clas Ohlson (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 the 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 firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with 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 accounts 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.

Auditor's examination of the corporate governance report

The Board of Directors is responsible for that the corporate governance statement on pages 26-30 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing 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.

Deloitte AB, was appointed auditor of Clas Ohlson (publ) by the general meeting of the shareholders on the 2022-09-09 and has been the company's auditor since 2013-09-07.

Stockholm, July 5 2023
Deloitte AB

Johan Telander
Authorized Public Accountant

Quarterly results

MSEK	2022/23				2021/22			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	1 May 22– 31 Jul 22	1 Aug 22– 31 Oct 22	1 Nov 22– 31 Jan 23	1 Feb 23– 30 Apr 23	1 May 21– 31 Jul 21	1 Aug 21– 31 Oct 21	1 Nov 21– 31 Jan 22	1 Feb 22– 30 Apr 22
Sales	2,043.6	2,250.2	2,954.2	1,776.3	2,055.6	2,116.8	2,831.3	1,780.1
<i>Of which, online sales</i>	232.0	258.3	343.5	220.4	218.8	202.0	329.0	221.5
Cost of goods sold	-1,325.3	-1,401.9	-1,825.8	-1,087.6	-1,244.4	-1,204.3	-1,657.2	-1,073.0
Gross profit	718.3	848.4	1,128.4	688.7	811.2	912.5	1,174.0	707.1
Selling expenses	-648.8	-681.0	-760.4	-637.3	-614.1	-679.7	-743.7	-666.4
Administrative expenses	-44.4	-50.2	-50.6	-39.6	-49.7	-50.7	-51.2	-48.3
Other operating income/expenses	-41.2	-4.7	-102.1	-18.3	-0.3	22.2	-1.2	-2.2
Operating profit	-16.2	112.5	215.2	-6.5	147.1	204.2	377.9	-9.8
Financial income	1.0	0.7	1.2	0.5	0.3	0.3	0.5	1.0
Financial expenses	-15.5	-17.5	-16.5	-16.4	-16.4	-16.5	-16.4	-15.7
Profit before tax	-30.6	95.6	199.9	-22.4	131.0	188.0	362.0	-24.5
Income tax	6.5	-26.1	-41.5	-0.7	-27.6	-39.9	-75.3	9.0
Profit/loss for the period	-24.1	69.5	158.3	-23.1	103.3	148.1	286.7	-15.6
KEY RATIOS FOR THE PERIOD								
Gross margin, %	35.1	37.7	38.2	38.8	39.5	43.1	41.5	39.7
Operating margin, %	-0.8	5.0	7.3	-0.4	7.2	9.6	13.3	-0.6
Earnings per share before dilution, SEK	-0.38	1.10	2.50	-0.36	1.63	2.34	4.53	-0.25
Earnings per share after dilution, SEK	-0.38	1.10	2.50	-0.36	1.63	2.33	4.52	-0.25

Comments to the quarterly results

One new store (1) was opened during the first quarter of 2022/23 and four stores were closed (1). One new store (3) was opened during the second quarter and two stores were closed (1). One new store (2) was opened during the third quarter and one store was closed (1). No new stores (0) were opened during the fourth quarter and two stores were closed (0).

Seasonal fluctuations

Clas Ohlson's market and operations have seasonal variations where the third quarter (November-January) is generally the strongest quarter of the financial year. This is followed by the second and first quarters and, finally, the fourth quarter, which is the weakest in terms of sales and profit. See the table above with sales and operating profit per quarter.

Key ratio definitions

Clas Ohlson uses certain financial measures in this annual report that are not defined in accordance with IFRS. Clas Ohlson believes that these key ratios are relevant to users of the financial report as a supplement for assessing Clas Ohlson's performance. These financial measures are not always comparable with the measures used by other companies since not all companies calculate such financial measures in the same way. Accordingly, these financial measures are not to be regarded as a replacement for measures defined according to IFRS. The measures not defined according to IFRS are presented below, unless otherwise stated.

Return on equity

Net profit for the period expressed as a percentage of average equity. Average equity is calculated as the total equity for the most recent 12 months divided by 12.

Return on capital employed

Operating profit plus financial income expressed as a percentage of average capital employed. Average capital employed is calculated as the total capital employed for the most recent 12 months divided by 12.

Gross margin

Gross profit divided by sales for the period.

Gross profit

Gross profit is calculated as the total of sales less cost of goods sold.

Dividend yield

Dividend per share divided by the year-end share price.

EBITDA

Operating profit/loss before interest, tax, depreciation and amortisation.

EBITDA excl IFRS 16

Operating profit/loss before interest, tax, impairment, depreciation and amortisation excl effect on operating expenses according to IFRS 16.

Equity per share

Equity divided by the number of shares outstanding at the end of the period.

Share of selling expenses

Selling expenses in relation to sales.

Sales growth

Sales in relation to sales during the year-earlier period.

Average inventory value

Average inventory value is calculated as the total inventories for the most recent 12 months divided by 12.

Cash flow from operating activities

Operating profit adjusted for items not included in cash flow, interest, paid tax and change in working capital.

Cash flow from operating activities per share

Cash flow from operating activities divided by the average number of shares before dilution.

Net debt

Interest-bearing liabilities less cash and cash equivalents.

Net debt excl IFRS 16

Interest-bearing liabilities excl interest-bearing lease liabilities less cash and cash equivalents.

Net debt/EBITDA

Net debt divided by EBITDA for the last 12 months.

Glossary

Net debt/EBITDA, excl IFRS 16

Net debt divided by EBITDA for the last 12 months excl interest-bearing lease liabilities and the effect on operating expenses attributable to IFRS 16.

Organic growth

Sales growth in local currencies, excluding acquisitions.

P/E ratio

Share price at year-end divided by earnings per share before dilution.

Working capital

The total of current assets, minus cash and cash equivalents (inventories and current receivables), less current non-interest-bearing liabilities.

Operating margin

Operating profit divided by sales for the period.

Operating profit

Operating profit comprises profit before financial items and tax.

Operating profit excl IFRS 16

Operating profit comprises profit before financial items and tax excl effects on operating expenses according to IFRS 16.

Equity/assets ratio

Equity at the end of the period divided by the balance-sheet total (total assets).

Equity/assets ratio excl IFRS 16

Equity at the end of the period divided by the balance-sheet total (total assets) excl effects relating to equity and interest-bearing lease assets according to IFRS 16.

Capital employed

Balance-sheet total (total assets) less current liabilities and non-current liabilities, non-interest-bearing liabilities.

Total return

The sum of the share price change during the period and paid dividend in relation to the share price at the beginning of year.

Comprehensive income per share

Comprehensive income divided by average number of shares before dilution.

Payout ratio

Dividend divided by earnings per share before dilution.

Earnings per share (before and after dilution)*

Profit for the period divided by the number of shares (before and after dilution).

*Defined in accordance with IFRS.

Club Clas

Our loyalty programme, our loyalty club.

UN Global Compact

UN international principles regarding human rights, labour, the environment and corruption, designed for companies.

Online sales

Sales whereby the customer shops via digital channels from Clas Ohlson or external partners.

Sales per square metre

Store sales in relation to the effective retail space. For new stores, a conversion has been made in relation to how long the store has been open.

GRI

The Global Reporting Initiative, a global standard for sustainability reporting.

Conversion rate

The percentage of visitors who make a purchase.

Cost of goods sold

Cost for purchases of goods and transport costs, customs and handling costs until the goods are displayed in a store or delivered to the customer.

Nasdaq Stockholm

Marketplace for trading with securities, where Clas Ohlson's Series B share is listed.

Omni-channel

A shopping experience where customers perceive a seamless interaction between physical stores, the online store and telephone sales.

Average receipt

Average amount per purchase.

Store traffic

Number of visitors.

Code of Conduct

The standards we set for ourselves, and the suppliers of our products and services, regarding working conditions, workplace health and safety and the environment.

Alternative performance measures

This section contains a reconciliation of certain alternative performance measures (APMs) with the closest reconcilable items in the financial statements.

As analysis tools, APMs are limited, and must be considered in their context and not as a replacement of financial measures prepared in accordance with IFRS. APMs are presented to improve an investor's evaluation of the operations, as an aid in forecasts of forthcoming periods, and to simplify meaningful comparisons of earnings between periods. Management uses these APMs, for example, to evaluate the operating activities compared with previous

results, for internal planning and forecasts and to calculate certain performance-related remuneration. For definitions, refer to pages 68-69. The APMs recognised in this annual report may differ from similarly named measures used by other companies.

Return on equity

	Group	
	2022/23	2021/22
Profit for the year	180.6	522.5
Average equity	1,699.7	2,238.6
Return on equity	10.6%	23.3%

Reason for use: Return on equity is a measure of profitability in relation to the carrying amount of equity. Return on equity is a measure of how investments are used to generate increased income.

Return on capital employed

	Group	
	2022/23	2021/22
Operating profit	305.0	719.4
Financial income	3.4	2.0
Average capital employed	3,504.3	4,142.4
Return on capital employed	8.8%	17.4%

Reason for use: Return on capital employed is a measure of profitability after taking into account the amount of capital used. A higher return on capital employed indicates that capital is used more efficiently.

Gross margin

	Group	
	2022/23	2021/22
Gross profit	3,383.6	3,604.8
Sales	9,024.3	8,783.7
Gross margin	37.5%	41.0%

Reason for use: Gross margin shows the difference between net sales and the cost of goods sold expressed as a percentage of net sales. Gross margin is affected by several factors, for example, product mix, price trend and cost reductions.

Gross profit

	Group	
	2022/23	2021/22
Sales	9,024.3	8,783.7
Cost of goods sold	-5,640.6	-5,178.9
Gross profit	3,383.6	3,604.8

Reason for use: Gross profit shows the difference between net sales and the cost of goods sold. Gross profit is affected by several factors, for example, product mix, price trend and cost reductions.

Dividend yield

	Group	
	2022/23	2021/22
Dividend per share	1.50*	13.00
Share price 30 April	77.30	112.10
Dividend yield	1.9%	11.6%

* Proposed dividend.

EBITDA

	Group	
	2022/23	2021/22
Operating profit	305.0	719.4
Depreciation	772.8	753.1
EBITDA	1,077.8	1,472.6

Reason for use: Measures the operative financial performance before depreciation, interest and income tax.

EBITDA excl IFRS 16

	Group	
	2022/23	2021/22
Operating profit excl IFRS 16	228.3	641.9
Depreciation excl IFRS 16	246.4	251.2
EBITDA excl IFRS 16	474.7	893.1

Reason for use: Measures the operative financial performance before depreciation, interest and income tax.

Equity per share

	Group	
	2022/23	2021/22
Total equity	1,437.4	2,221.6
Number of shares outstanding	63,357	63,351
Equity per share	22.69	35.07

Reason for use: Equity per share measures the company's net value per share and determines whether a company increases its shareholders' capital over time.

Sales growth

	Group	
	2022/23	2021/22
Sales current period	9,024.3	8,783.7
Sales previous year	8,783.7	8,284.4
Sales growth	2.7%	6.0%

Reason for use: The change in sales reflects the company's realised sales growth over time.

Average inventory value

	Group	
	2022/23	2021/22
Average inventory value	2,396.8	1,985.9

Cash flow from operating activities per share

	Group	
	2022/23	2021/22
Cash flow from operating activities	940.8	986.1
Average number of shares before dilution	63,357	63,351
Cash flow from operating activities per share	14.85	15.57

Reason for use: Cash flow from operating activities per share measures the cash flow that the company generates per share before capital investments and cash flows attributable to the company's financing.

Net debt

	Group	
	2022/23	2021/22
Interest-bearing liabilities	1,876.8	1,789.7
Cash and cash equivalents	143.1	456.6
Total Net debt	1,733.7	1,333.1

Reason for use: Net debt shows the company's indebtedness over time.

Net debt excl IFRS 16

	Group	
	2022/23	2021/22
Interest-bearing liabilities excl lease liabilities	244.4	0.0
Cash and cash equivalents	143.1	456.6
Total Net debt excl IFRS 16	101.3	-456.6

Reason for use: Net debt shows the company's indebtedness over time.

Profit after financial items excl IFRS 16

	Group	
	2022/23	2021/22
Profit after financial items	242.4	656.4
IFRS 16 effect	-19.7	-15.8
Profit after financial items excl IFRS 16	222.7	640.6

Reason for use: To create comparability in analyses since years are included before IFRS 16 was used.

Profit after tax excl IFRS 16

	Group	
	2022/23	2021/22
Profit after tax	180.6	522.5
IFRS 16 effect	-15.6	-13.3
Profit after tax excl IFRS 16	165.0	509.2

Reason for use: To create comparability in analyses since years are included before IFRS 16 was used.

Working capital

	Group	
	2022/23	2021/22
Total current assets	2,490.2	2,793.0
- Cash and cash equivalents	-143.1	-456.6
- Current non-interest bearing liabilities	-1,619.6	-1,728.1
Working capital	727.5	608.3

Reason for use: Working capital is used to measure the company's ability to meet short-term capital requirements.

Operating margin

	Group	
	2022/23	2021/22
Operating profit	305.0	719.4
Sales	9,024.3	8,783.7
Operating margin	3.4%	8.2%

Reason for use: The operating margin shows operating profit as a percentage of net sales and shows operational profitability.

Operating profit excl IFRS 16

	Group	
	2022/23	2021/22
Operating profit	305.0	719.4
IFRS 16 effect	-76.7	-77.5
Operating profit excl IFRS 16	228.3	641.9

Reason for use: To create comparability in analyses since years are included before IFRS 16 was used.

Equity/assets ratio

	Group	
	2022/23	2021/22
Total equity	1,437.4	2,221.6
Total assets	5,109.7	5,948.6
Equity/assets ratio	28.1%	37.3%

Reason for use: A high equity/assets ratio provides the financial scope and independence required for conducting the operations and managing variations in the need for working capital and for capitalising on business opportunities.

Equity/assets ratio excl IFRS 16

	Group	
	2022/23	2021/22
Total equity excl IFRS 16	1,540.9	2,344.2
Total assets excl IFRS 16	3,580.8	4,281.5
Equity/assets ratio excl IFRS 16	43.0%	54.8%

Reason for use: A high equity/assets ratio provides the financial scope and independence required for conducting the operations and managing variations in the need for working capital and for capitalising on business opportunities.

Capital employed

	Group	
	2022/23	2021/22
Total assets	5,109.7	5,948.6
Long-term non-interest bearing liabilities	-175.9	-209.2
Current non-interest bearing liabilities	-1,619.6	-1,728.1
Capital employed	3,314.1	4,011.2

Reason for use: Capital employed measures the company's ability, in addition to cash balances and cash equivalents, to meet the needs of the operations.

Total return

	Group	
	2022/23	2021/22
Share price at the start of the year	112.10	90.65
Share price at the end of the year	77.30	112.10
Re-invested dividend	13.00	6.25
Total	-21.80	27.70
Total return	-19.45%	30.56%

Comprehensive income per share

	Group	
	2022/23	2021/22
Comprehensive income	37.9	425.3
Average number of shares before dilution	63.357	63.351
Comprehensive income per share	0.60	6.71

Payout ratio

	Group	
	2022/23	2021/22
Dividend	1.50	13.00
Earnings per share before dilution	2.85	8.25
Payout ratio	52.6%	157.6%

Earnings per share (before and after dilution)*

	Group	
	2022/23	2021/22
Profit for the year	180.6	522.5
Number of shares before dilution	63.357	63.351
Number of shares after dilution	63.357	63.359
Earnings per share before dilution	2.85	8.25
Earnings per share after dilution	2.85	8.25

* Defined in accordance with IFRS.



Ten-year overview

MSEK	2022/2023	2021/2022	2020/2021	2019/2020	2018/2019	2017/2018	2016/2017	2015/2016	2014/2015	2013/2014
INCOME STATEMENT										
Sales	9,024.3	8,783.7	8,284.4	8,758.3	8,772.3	8,210.7	7,990.1	7,601.6	7,329.8	6,807.7
Operating profit	305.0	719.4	608.2	549.2	94.0	468.3	609.9	506.4	596.0	530.5
Operating profit, excl IFRS 16	228.3	641.9	537.8	453.8	94.0	468.3	609.9	506.4	596.0	530.5
Profit before tax	242.4	656.4	544.9	481.8	91.9	467.1	608.9	507.6	597.2	530.2
Income tax	-61.8	-133.9	-123.6	-105.8	-20.3	-109.3	-130.2	-128.8	-138.3	-124.8
Profit for the year	180.6	522.5	421.3	375.9	71.6	357.8	478.7	378.8	458.9	405.4
BALANCE SHEET										
Non-current assets	969.6	1,224.0	1,325.1	1,323.8	1,388.5	1,469.5	1,404.5	1,397.8	1,399.9	1,424.2
Right-of-use assets	1,553.6	1,678.8	1,915.0	2,059.9	0.0	0.0	0.0	0.0	0.0	0.0
Other financial assets	96.3	252.7	415.2	327.7	246.8	239.4	18.5	18.1	11.6	8.1
Inventories	2,177.1	2,198.6	1,831.7	1,811.2	1,987.3	2,038.0	1,630.7	1,639.2	1,569.3	1,348.2
Current receivables	170.0	137.8	106.6	179.8	249.4	336.9	220.6	263.4	242.5	229.5
Cash and cash equivalents, short-term investments	143.1	456.6	533.8	80.1	105.0	115.8	625.1	604.3	517.4	358.3
Total assets	5,109.7	5,948.6	6,127.4	5,782.4	3,976.9	4,199.7	3,899.4	3,922.8	3,740.7	3,368.3
Equity attributable to Parent Company shareholders	1,437.4	2,221.6	2,189.4	1,756.9	1,940.8	2,263.9	2,250.7	2,138.8	2,144.5	1,964.9
Equity attributable to non-controlling interests	0.0	0.0	5.8	6.2	6.6	0.0	0.0	0.0	0.0	0.0
Total equity	1,437.4	2,221.6	2,195.2	1,763.1	1,947.3	2,263.9	2,250.7	2,138.8	2,144.5	1,964.9
Long-term lease liabilities, interest bearing	1,111.2	1,255.3	1,542.7	1,672.5	0.0	0.0	0.0	0.0	0.0	0.0
Non-current liabilities, non-interest-bearing	175.9	209.2	209.9	232.1	204.8	227.4	226.8	195.2	213.3	206.5
Current lease liabilities, interest bearing	521.2	534.4	498.8	523.7	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities, interest-bearing	244.4	0.0	0.0	67.2	283.1	0.0	0.0	0.0	0.0	0.0
Current liabilities, non-interest bearing	1,619.6	1,728.1	1,680.7	1,523.8	1,541.7	1,708.4	1,421.9	1,588.8	1,382.9	1,196.9
Total equity and liabilities	5,109.7	5,948.6	6,127.4	5,782.4	3,976.9	4,199.7	3,899.4	3,922.8	3,740.7	3,368.3
CASH FLOW										
Cash flow from operating activities	940.8	986.1	1,287.8	1,283.9	312.0	372.8	698.9	704.6	647.3	689.1
Investments	-123.4	-157.7	-227.9	-231.0	-211.4	-497.2	-263.5	-274.1	-192.3	-171.8
Cash flow after investments	817.4	828.4	1,059.9	1,052.9	100.5	-124.4	435.4	430.5	455.0	517.3
Financing activities	-1,128.7	-909.2	-605.8	-1,073.2	-112.0	-389.8	-418.0	-335.9	-298.9	-283.6
Cash flow for the year	-311.2	-80.8	454.1	-20.3	-11.5	-514.2	17.5	94.6	156.1	233.7

MSEK	2022/2023	2021/2022	2020/2021	2019/2020	2018/2019	2017/2018	2016/2017	2015/2016	2014/2015	2013/2014
KEY RATIOS										
Sales growth, %	2.7	6.0	-5.4	-0.2	6.8	2.8	5.1	3.7	7.7	4.4
Gross margin, %	37.5	41.0	40.5	39.8	39.8	40.0	41.2	42.4	42.9	42.6
Operating margin, %	3.4	8.2	7.3	6.3	1.1	5.7	7.6	6.7	8.1	7.8
Return on capital employed, %	8.8	17.4	15.2	13.5	4.1	21.0	28.4	23.6	29.3	28.0
Return on equity, %	10.6	23.3	21.0	21.4	3.5	16.0	22.4	17.6	22.5	21.7
Equity/assets ratio, %	28.1	37.3	35.8	30.5	49.0	53.9	57.7	54.5	57.3	58.3
Equity/assets ratio, excl IFRS 16, %	43.0	54.8	55.2	51.0	49.0	53.9	57.7	54.5	57.3	58.3
Net debt/EBITDA	1.6	0.9	1.1	1.8	0.5	0.0	0.0	0.0	0.0	0.0
Net debt/EBITDA, excl IFRS 16	0.2	-0.5	-0.7	0.0	0.5	0.0	0.0	0.0	0.0	0.0
Sales per square metre in store, TSEK	32	31	29	32	31	31	31	30	30	30
Number of stores at year-end	222	229	228	228	232	229	216	205	198	185
Number of full-time equivalent employees	3,128	3,093	3,013	2,987	3,099	2,951	2,835	2,787	2,736	2,629
DATA PER SHARE										
Average number of shares before dilution	63,356,536	63,351,284	63,345,330	63,273,680	63,217,741	63,200,598	63,052,803	63,167,924	63,121,729	63,137,148
Average number of shares after dilution	63,357,260	63,358,847	63,356,993	63,297,575	63,230,062	63,311,743	63,254,614	63,461,923	63,400,934	63,243,692
Number of shares outstanding at period end	63,356,565	63,351,333	63,345,417	63,337,447	63,217,794	63,208,135	63,083,438	63,376,420	63,216,061	63,140,994
Earnings per share before dilution, SEK	2.85	8.25	6.65	5.94	1.13	5.66	7.59	6.00	7.27	6.42
Earnings per share after dilution, SEK	2.85	8.25	6.65	5.94	1.13	5.65	7.57	5.97	7.24	6.41
Comprehensive income per share, SEK	0.60	6.71	6.82	5.66	1.26	6.37	8.30	5.07	7.41	6.41
Cash flow per share, SEK	14.85	15.57	20.33	20.29	4.93	5.90	11.08	11.15	10.25	10.91
Equity per share, SEK	22.69	35.07	34.65	27.84	30.8	35.82	35.68	33.75	33.92	31.12
Share price 30 April, SEK	77	112	91	86	79	96	147	162	143	143
Dividend per share, SEK	1.50	13.00	6.25	0.0	6.25	6.25	6.25	5.75	5.25	4.75
P/E ratio, multiple	27	14	14	14	70	17	19	27	20	22
Dividend yield, %	1.9	11.6	6.9	0.0	7.9	6.5	4.3	3.5	3.7	3.3

Sustainability information

- 74 About the sustainability report
- 75 Governance for more sustainable home fixing
- 76 Stakeholder dialogue
- 77 Materiality analysis
- 78 Responsibility throughout the value chain
- 79 Safe and sustainable products
- 80 Planet
- 88 People
- 91 Society
- 93 TCFD Index
- 94 Reporting in accordance with Article 8 of the Taxonomy
- 98 GRI Index



In accordance with Chapter 6, Section 11 of the Annual Accounts Act, Clas Ohlson has chosen to prepare its statutory sustainability report separately from its Annual Report. The sustainability report is presented on pages 2-3, 6-10, 12, 17, 21-24, 29 and 74-93 in this document.

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Clas Ohlson AB (publ), corporate identity number 556035-8672.

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability report for the financial year 1 May 2022 to 30 April 2023 and that it is prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report 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 opinion.

Opinion

A statutory sustainability report has been prepared.

Insjön, 5 July 2023,
Deloitte AB

Johan Telander
Authorised Public Accountant

Governance for more sustainable home fixing

At Clas Ohlson, sustainability is integrated into its strategy, business model, governance and the day-to-day operations.

The Group's sustainability strategy and its associated targets have been adopted by the Board. A key part of the Board's analysis and evaluation of the overall operations is to monitor the implementation of the strategy and follow up on progress towards set targets. Accordingly, sustainability is a regular item on the agenda of Board meetings and the actual implementation of the sustainability strategy is reviewed by the Board at least once a year. The Board also adopts the Code of Conduct and the Code of Business Ethics every year. Sustainability-related risk activities in 2023 have focused on climate risks.

Division of responsibilities and monitoring
Clas Ohlson's CEO assumes the overall responsibility for the sustainability strategy. The Sustainability Director, who is a member of Group Management, is responsible for following up on set targets and for the company's sustainability forum that is arranged every quarter to facilitate cross-functional collaboration on sustainability initiatives in the Group's various functions.

The Sustainability Strategy Manager, who reports to the Sustainability Director, implements the sustainability strategy and reports on progress to Group Management. Follow-up and monitoring utilise specified key ratios for each

function that conducts and develops sustainability work.

Internal information and involvement
All co-workers continuously receive information about Clas Ohlson's sustainability activities via regular information in Clas Ohlson's internal communication channels as well as offers to attend seminars and internal training courses. Store co-workers are offered seasonal training modules to build their confidence in helping customers simplify and enable a sustainable life in their home. This has proven to be very popular both among customers and among co-workers particularly in times when many customers are

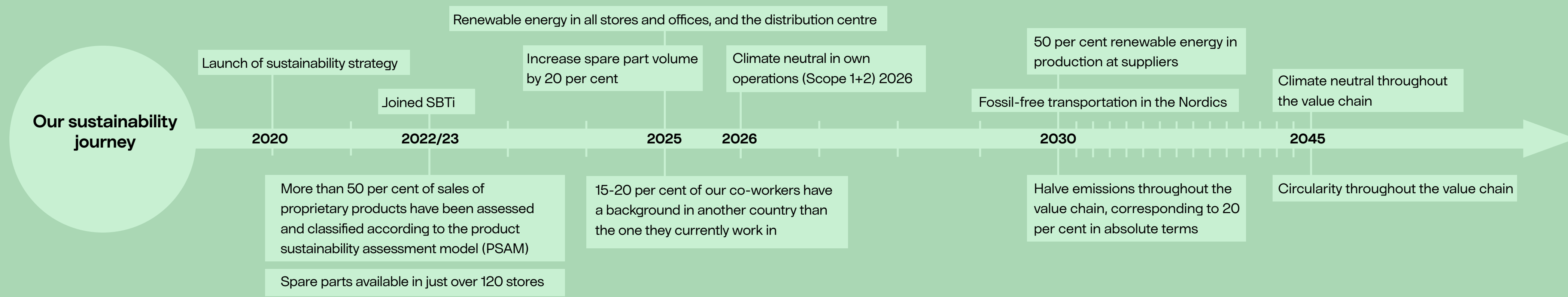
seeking smart solutions to save energy and reduce food waste.

Besides product training courses, co-workers also have the opportunity to deepen their know-how by becoming one of Clas Ohlson's sustainability ambassadors who are a growing group of dedicated co-workers from stores, warehouses and offices. We currently have 112 proud ambassadors. Quarterly meetings are organised together with the Sustainability Strategy Manager that provide a forum for sustainability ambassadors to have their questions answered and to encourage the exchange of specific ideas and experiences.

International initiatives and framework for sustainable development

- Agenda 2030 and the Sustainable Development Goals, SDGs
- Global Compact
- The UN Framework Convention on Climate Change and the Paris Agreement
- Convention on the Rights of the Child and Children's Rights and Business Principles
- ILO Declaration on Fundamental Principles and Rights at Work
- UN National Action Plans on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- EU Taxonomy
- EU Green Deal

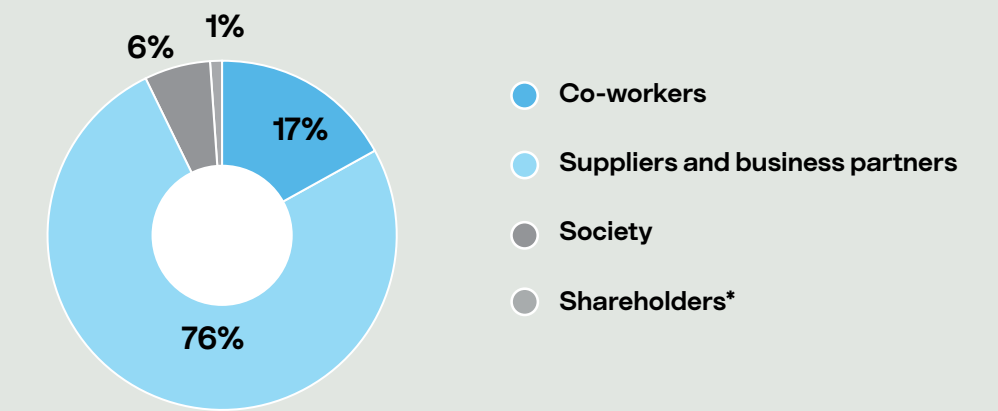
Read more about examples of policies that apply at Clas Ohlson on page 29.



Stakeholder dialogue

Both being a meaningful and trusted brand and delivering sustainable profitable growth require both understanding and meeting the varying requirements and expectations of stakeholders. Clas Ohlson is in continuous dialogue with its customers, co-workers, suppliers, owners and various players in society to gain insight into how they view the business, and what areas can be developed.

Economic value by stakeholder group 2022/23



Of the value generated in the 2022/23 financial year, suppliers and partners received a total of 6,826 MSEK. Salaries and other remuneration to co-workers amounted to 1,540 MSEK.

* Proposed dividend 2022/23.

Co-workers

About 4,900 co-workers in six countries endeavour to provide customers with the best offering and a high level of service. Committed and goal-oriented co-workers are essential for achieving set targets. For this reason, the focal points are developing skills and leadership as well as promoting diversity, health and well-being. According to the most recent employee survey, 75 per cent of co-workers are proud of working at Clas Ohlson, and the percentage who would recommend the company as an employer to others has increased.

ISSUES

- Leadership and skills development
- Diversity and equal opportunity
- Health and well-being
- Corporate culture – One Clas Ohlson
- Business ethics

Customers

Understanding and meeting customer needs and expectations is vital for achieving sustainable and profitable growth. Clas Ohlson interacts with customers every day in physical stores, online and through the customer service centre. With more than five million members, the Club Clas loyalty club also presents many opportunities such as direct communication and detailed insight into purchasing patterns. Clas Ohlson's customer service centre won the "best in retail" prize at the Brilliant Awards in Sweden for the fourth consecutive year.

ISSUES

- Availability in store and online
- Affordability
- Quality, guarantees and product life cycle
- Product safety

Suppliers

A strong supplier network is a prerequisite for an affordable, innovative and sustainable offering. Important issues are discussed during regular contact with suppliers, on various training courses and as part of audits. Increasing numbers of suppliers want to move away from only supplying goods and move towards entering strategic partnerships based on jointly established targets.

ISSUES

- Sustainable materials and certifications
- Quality and product life cycle
- Code of Conduct, human rights, anti-corruption and bribery
- Packaging

Society

Clas Ohlson impacts society in a variety of ways and is expected to assume responsibility for its actions throughout the value chain. The UN Agenda 2030 and the 17 Sustainable Development Goals set out what challenges need to be solved over the years ahead. Clas Ohlson enters into strategic partnerships to steer development in the right direction, and participates in several research and innovation projects relevant to the industry, for instance, phasing out PFAS in ChemSec and Rise.

ISSUES

- Children's rights
- Waste
- Producer responsibility and collection systems
- Chemicals
- Recycling and reuse

Shareholders and capital markets

Clas Ohlson's series B shares have been listed on Nasdaq Stockholm since 1999. At the end of the financial year, 30 April 2023, the share register had 47,109 shareholders, many of whom have been with the company for a long time. A long-term approach and high returns are important to shareholders. Stable and engaged owners are pivotal for long-term profitability and sustainable development. Owners and stakeholders are engaged in dialogue through regular reporting and at the Annual General Meeting, shareholder meetings, investor meetings and Capital Markets Days.

Clas Ohlson entered into a new bank facility during the year whose pricing is linked to achieving certain sustainability targets under our sustainability strategy. This means that the company has green external financing.

Materiality analysis

Clas Ohlson's way of working with sustainability and impact reporting is based on analyses and dialogue in which the most material aspects of the operations have been identified.

The materiality analysis contributes to identifying the issues that are most relevant for delivering long-term value creation to the company's important stakeholders. The analysis also enables identification of the impacts of the operations on the environment and society as well as the most important contributions to the overall operational targets, and developing Clas Ohlson as a meaningful and trusted brand and company over time. The most recent comprehensive update of the materiality analysis took place in spring 2018. It was reviewed together with an external party in 2020 to ensure that the most important aspects – focusing on materiality, risk management, relevance to the impact on the business, environment and society – were taken into account when preparing the current sustainability strategy.

The relevance of the materiality analysis is continuously verified, such as by quarterly follow-ups by club members, employee surveys, regular dialogue with owners, co-workers, students and other key stakeholders. During the year, Clas Ohlson also carried out more in-depth talks with a selection of stakeholders to ensure that sustainability activities were in line with their expectations.

Important sustainability issues for Clas Ohlson's stakeholders

PLANET:

- Reduced climate impact throughout the value chain
- Effective use of resources and reuse
- Product life cycle
- Energy and cost-saving products
- Biodiversity

PEOPLE:

- Leadership and skills development
- Health and well-being
- Inclusive culture

SOCIETY:

- Children's rights perspective
- Human rights
- Ethical business and anti-corruption
- Supply chain control
- Transparency

Climate neutral and fully circular by 2045



PLANET: To enable a sustainable life for our customers

Read more on pages 80-87.



PEOPLE: To be a sustainable and long-term employer with happy co-workers

Read more on pages 88-90.



SOCIETY: To contribute to a fair and prosperous society for future generations

Read more on pages 91-93.

Responsibility throughout the value chain

Clas Ohlson has integrated sustainability activities into the entire value chain so as to manage the positive and negative impacts of the operations as responsibly and resource-efficiently as possible. This responsibility extends beyond the direct impact of the company's own operations to also encompass impact related to business relationships and partnerships with, for example, suppliers, transport companies and customers. Incorporating the entire value chain means that opportunities and risks can be continuously identified and offer insight into delimitations and how value can be created for stakeholders.



Batteries and IT products are collected, reused and recycled

For the eleventh consecutive year in Norway, Clas Ohlson organised the Battery Hunt together with Eco-Agents, Batteriretur and VARTA. Since it began, the Battery Hunt has engaged more than 151,000 children in Norway and collected 956 tonnes of spent batteries. Almost two tonnes of end-of-life IT products, mainly mobile telephones and hard discs,



were sent to Atea during the year. The GoltLoop service resulted in a decline of almost 38,850 tonnes CO₂, corresponding to the same volume of emissions generated from driving a diesel car around the world ten times. 90 per cent of the products were recycled and 10 per cent were reused.

	Product development	Manufacturing	Transportation	Operations	Sales	Product and service use	End of product life
AREA	Together with strategic suppliers for Clas Ohlson's proprietary brands.	About 70 per cent of products are manufactured in Asia.	1,378 million tonne kilometres of product transports (calendar year 2022).	About 4,900 co-workers in six countries.	More than 200 physical stores and online shopping in three countries in attractive locations with high availability and flexible delivery options.	Products and services that make home fixing easier for customers, while also helping them to save money and live more sustainably.	Participation in collection and recycling schemes.
VALUE CREATION	<ul style="list-style-type: none"> Reduced impact from products over their life cycle Relevant and unique products 	<ul style="list-style-type: none"> Improved conditions for suppliers, their employees and families and local communities Increased confidence in the Clas Ohlson brand 	<ul style="list-style-type: none"> Reduced carbon emissions More cost-efficient transportation solutions 	<ul style="list-style-type: none"> A high-performing organisation Attract and retain skilled employees Increased employee commitment Skills development in fields such as business ethics Cost focus 	<ul style="list-style-type: none"> Attractive, relevant and affordable product offering Loyal and broad customer base Motivated co-workers More information about environmental impact 	<ul style="list-style-type: none"> Extended product use Reduced energy consumption Less food waste Cost savings Longer product life cycle Less waste and chemicals 	<ul style="list-style-type: none"> Less waste More material recycling Fewer chemicals to the environment
TREND/KPIs	<ul style="list-style-type: none"> Increased focus on quality and extend product life cycle 	<ul style="list-style-type: none"> 212 social audits performed Training in human rights at 15 factories 	<ul style="list-style-type: none"> Fewer air transports Higher fill rate/less air in packaging Reduced carbon emissions 	<ul style="list-style-type: none"> Higher share of co-workers who recommend Clas Ohlson as an employer Employee attendance over 93 per cent 	<ul style="list-style-type: none"> Strong growth in Club Clas membership Improved customer satisfaction (NPS) More affordable compared with discount players (according to customers) Best customer service centre according to Brilliant Awards in Sweden 	<ul style="list-style-type: none"> Continued high product reviews Customers believe that Clas Ohlson helps them to live more sustainably compared with a selection of discount players in Sweden, Norway and Finland Spare parts offered in 122 stores "Almost new" – fully functional products with minor imperfections offered in all stores 	<ul style="list-style-type: none"> 176 tonnes mixed plastic sorted from residual waste at the distribution centre (2022) 2 tonnes end-of-life IT products collected (2022) 93 tonnes of electric waste recycled (applies to about 40 stores and the distribution centre 2022) 956 tonnes of batteries collected in Norway via the Battery Hunt since it began

Safe and sustainable products

Clas Ohlson's customers must feel confident in the products they purchase. Confident that they are manufactured under fair conditions, and confident that the products have undergone both safety and quality inspections. Quality work ensures a systematic process that encompasses all new proprietary products before they reach the customer.

Suppliers' environmental activities

A key element of Clas Ohlson's climate activities is the environmental activities of its suppliers. An environmental audit programme was initiated in 2021 with the aim of assisting suppliers in improving their environmental activities. This includes verifying legal permits, the use of chemicals, waste water, air pollution and emissions, solid waste and noise.

Individual environmental assessments have now been performed at factories representing 93 per cent of Clas Ohlson's purchasing volumes. Environmental aspects for the remaining 7 per cent and monitoring of other factories are now integrated into the social audits.

For new partnerships, the factories fill in a self-assessment form and in certain cases digital evaluations are also carried out. Clas Ohlson's audit team also collates separate energy data from suppliers to analyse renewable energy in the supply chain.

Product control in several steps

1

Social audit of factories

A social audit, including environmental aspects, is carried out before collaborating with a supplier. In such an audit, checks are performed to ensure that the factory meets the requirements of Clas Ohlson's Code of Conduct, including requirements for working conditions, occupational work and safety, emergency exits, overtime and salaries as well as the prohibition of child labour and forced labour. An environmental audit programme was initiated in 2021. Read more about this on the left.

2

Technical audit of factories

A technical audit is also performed before a partnership commences. The technical audit ensures that the factory is able to manufacture sufficient amounts of products at the right quality. This involves evaluating the competence of employees, the factory's ability to inspect production itself and the factory's ability to handle deviations.

3

Technical evaluation of products in Insjön

When the factory has met all of the requirements of the social and technical audits, samples are sent to our engineers and specialists at the head office in Insjön for the product to undergo internal evaluation. The stage involves everything from the product's appearance and function, its design and how well the product performs when tested under the conditions it is designed to be used in.

4

Audits and documentation

In parallel to studying the products, all necessary documentation is reviewed such as certified reports that show that the product has been safety tested and does not contain any hazardous substances or give off harmful radiation. No orders are placed before the documentation and the samples are approved.

5

Quality control of the product at the factory

When the order is placed and production begins, Clas Ohlson's quality controllers inspect the product on site at the factory. In some cases, this is performed during the production process. A final inspection of the product is always performed before the order is approved to be sent to the distribution centre in Insjön.

6

Receiving inspection at the distribution centre

When the product arrives at the distribution centre, a receiving inspection is carried out in which we evaluate bar codes, labelling and packaging. Once approved, the product is ready to be distributed to our stores and customers.



Planet

Clas Ohlson's ambition

Climate neutral and fully circular by 2045
– own operations to be climate neutral by 2026

Focus areas

- Help customers live more sustainably.
- Include biodiversity in the sustainability strategy.
- Reduced energy consumption and higher share of renewable energy – in stores, the operations and among suppliers.
- Continue following up on planned actions in parallel with studying measurement options for specific emissions reductions throughout the value chain.
- Expand climate reporting by setting specific Scope 3 targets, in order to have these targets approved by the Science Based Targets initiative.



Clas Ohlson has a responsibility to reduce its GHG emissions to the atmosphere and therefore works actively on climate issues.

To reduce emissions in line with the Paris Agreement and the 1.5°C target, the company decided as part of its sustainability strategy to become climate neutral and fully circular by 2045. A new sub-target of the own operations being climate neutral by 2026 was also set during the year. In addition, Clas Ohlson joined the Science Based Targets initiative, which entails a commitment to reduce emissions following climate science.

The first two years of the work on the sustainability strategy, launched in 2020, focused on four transition programmes. Emissions targets have been set for several functions to ensure that planned measures are carried out, and this work is being performed following a more cross-functional process. Moving forward, opportunities are being evaluated for expanding climate reporting and setting Scope 3 targets, and then having established emissions targets approved by the Science Based Targets initiative.



Swedish recycled plastic storage solution

Clas Ohlson's design team has prepared a series of storage boxes together with Nordiska Plast that are manufactured in Gislaved in Sweden and are made of recycled plastic. This series of products replaces a series made of new plastics that were manufactured outside Sweden.

Production at Nordiska Plast is highly automated with low energy consumption, with 4,000 square metres of solar panels and wind power combining with modern machinery to halve the use of electricity. The choice of materials alone has reduced carbon emissions for this product by more than 50 per cent.



Efficient logistics

For many years, Clas Ohlson has worked steadily and systematically to reduce emissions across the entire logistics chain, both big and small.

The transport industry itself is taking major steps with the introduction of more efficient vehicles and fuels. Another way of accelerating progress is to actively include requirements when procuring new transportation agreements. This work has meant all trucks leaving the distribution centre in Insjön to the stores operate on HVO, which is a type of renewable biodiesel with a lower impact on the environment than traditional diesel. To diversify the risks and opportunities associated with different types of fossil-free fuels, transportation between Insjön and Oslo uses gas as fuel from May 2023.

Clas Ohlson has also been working for many years to transfer as much transportation as possible from road to rail. Deliveries to stores in Norway are largely transported by rail, and we are continuing to search for additional rail solutions. Punctuality is a key factor in logistics planning to meet current quality targets. All deliveries arriving by sea from Asia to the Port of Gothenburg, which is approximately 60-65 per cent of all products, are transported from Gothenburg by rail to Insjön.

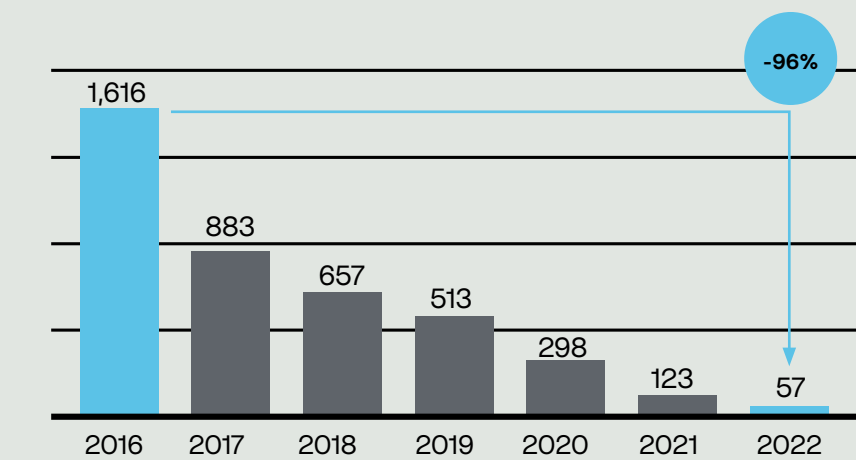
Goods arriving from Europe travel by rail from Helsingborg to Eskilstuna, then by road to Borlänge and rail on the final stretch to Insjön.

Optimising the container fill rate is a high priority, as is Clas Ohlson's in-depth analyses of various types of transportation. This results in significant advantages in terms of lower emissions and transport costs. The use of five different freight consolidation centres in China means that more deliveries can be coordinated in the same containers, thereby raising the fill rate. The fill rate for the past two years was 92 per cent.

Steps towards a fossil-free future

The majority of Clas Ohlson's goods transports from Asia to the distribution centre in Insjön is via the sea. Careful planning and changed work methods have meant that the share of deliveries transported by air has steadily decreased, which has also reduced Clas Ohlson's carbon emissions by more than 1,500 tonnes since 2016. The decrease is the result of a successful collaboration between suppliers, purchasers and logistics companies; all partners with a well-defined shared target – optimising and reducing emissions across the logistics chain. The 1,500 tonne reduction in emissions corresponds to the same amount of CO₂ emitted from driving a petrol car around the world 180 times.

Air transport, tonnes CO₂



Distribution of Clas Ohlson's transportation in 2022

	Sea	Air	Road	Rail
Proportion of tkm	90%	0.01%	7%	3%
Proportion of CO ₂	62%	1%	37%	0.2%



Life cycle perspective in product development

Sustainability aspects are important to the design team that develops proprietary brand products. Several factors need to be balanced in the development of products that deliver maximum value for customers with the lowest possible environmental impact.

Eight sustainability principles are applied to provide support in this endeavour, for example, the service life of the products, their reparability and their end of life. The principles offer guidance in the design stage and ensure that consideration is given to various aspects of the product's life cycle. Internal training on these principles is arranged to help the functions make sustainable choices in their day-to-day work.

Choice of materials is an important part of the product's service life. One example is recycled plastic that is a suitable material for storage boxes, for instance. Since plastic is a light material, it is easy for the users to handle even when the product is lifted high on to a shelf. Recycled plastic is a primary requirement for Clas Ohlson's design team to avoid generating pollution from producing new plastic.

A large volume of carbon emissions from products arises when producing raw materials and in manufacture, not when the product is used. For this reason, a long product life cycle is one of the targets. One of the ways of achieving this is ensuring that the products are easy to repair and that spare parts are available for the parts that suffer the most wear. An example is Clas Ohlson's new suitcase which has wheels (one of the components to always need replacing first) that are available as spare parts for customers to easily replace themselves. All products, regardless of price or category, are tested to ensure quality and product life cycle.

Optimising logistics is another aspect that product developers need to consider. Air transport means higher carbon emissions per item, which is negative both for business and for the environment. The team works continuously to find smart solutions for this.

Product assessment based on 11 criteria

During the financial year, Clas Ohlson's proprietary brand products were evaluated based on 11 criteria in the product sustainability assessment model (PSAM). For example are the product's function and how resource intensive it is to use, the type of material used, the type and level of emissions, and whether the product and packaging can be effectively recycled evaluated. 53 per cent of sales of proprietary brand products had been assessed and classified based by the end of the 2022/23 financial year.

As part of the evaluation, Clas Ohlson's engineers test usability, functionality and quality, and at this stage some form of product improvement often takes place. Legal requirements are also checked,

such as product safety, labelling and test reports, and these are sometimes verified through own measurements.

The aim was to raise the average score as early as possible in the design phase. This takes place through active collaboration between sustainability specialists, product managers and product developers to identify products at an early stage that do not meet internal requirements or that are non-compliant with future legal requirements and frameworks, such as the EU Green Deal.

Clas Ohlson's criteria to ensure a sustainable offering:

Functionality, use and recycling, the purpose of the product, enabling a sustainable lifestyle

- Functionality
- User phase
- Service life, reparability, spare parts
- Recyclability, product and material

Sustainable materials and ingredients/substances

- Production of material, eco-labels
- Renewable material
- Recycled material
- Packaging

Sustainable production and logistics

- Production and suppliers
- Packaging materials and transportation
- Social audit and environmental audit

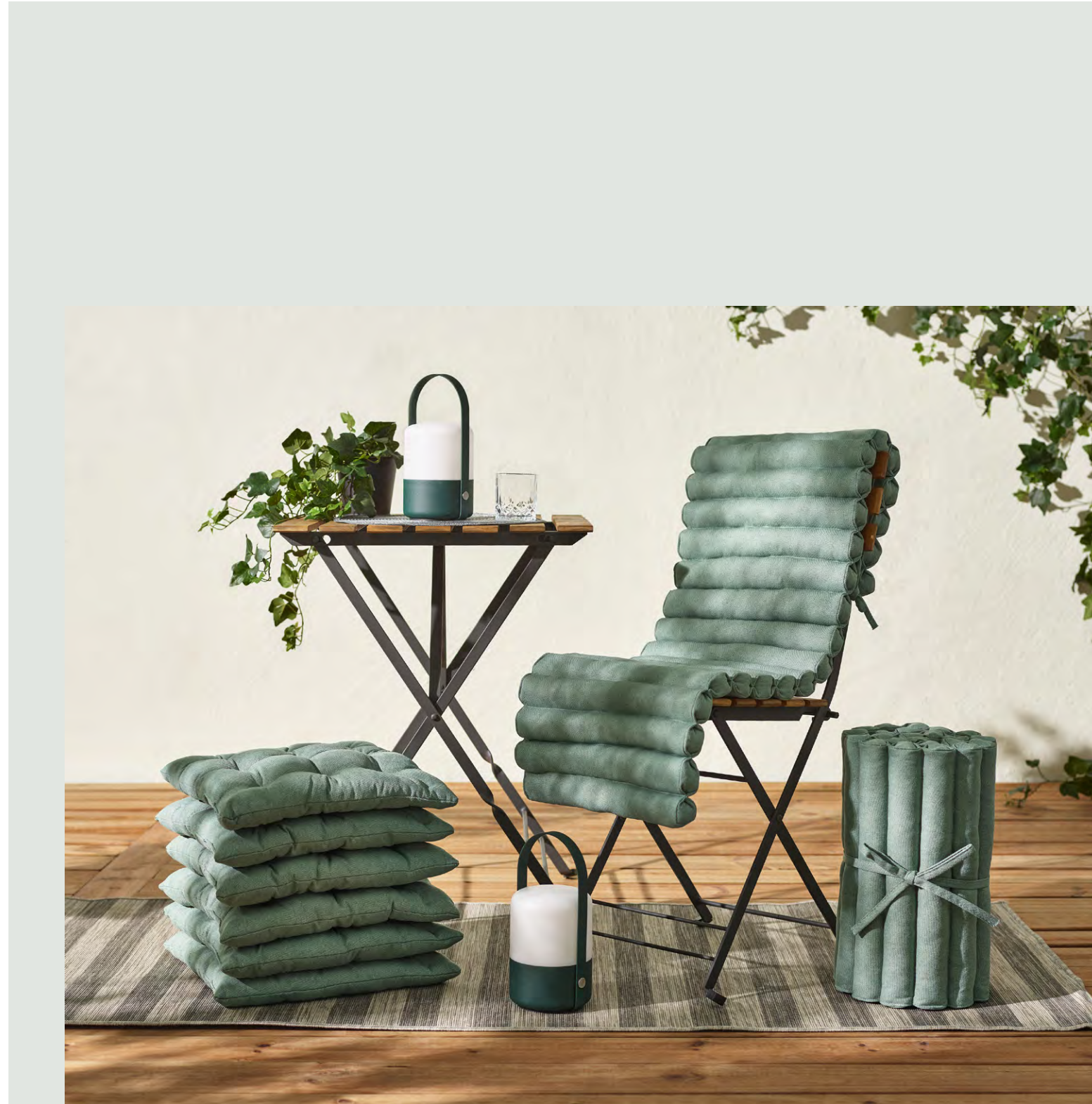


Biodiversity an important part of climate work

Clas Ohlson has initiated an analysis of the dependence and impact of the operations on biodiversity. The results will form a basis for an action plan that may include both requirements set for the goods sold and potential partnerships to promote biodiversity. WWF's new biodiversity risk filter was used in the analysis of the supply chain under which risks are identified. Relevant issues will be included in the audit form or in the self-assessment form that suppliers complete.

Clas Ohlson helps reduce the impact on biodiversity, for example, by relocating some production to Europe, extending product service lives and increasing the share of recycled materials in products. The purchase office in Poland offers a greater number of more local options for the supply chain, which reduces the negative impact on biodiversity due to shorter transportation and the ability to increase the share of recycled materials in the products. The aim is for 40 per cent of products to comprise recycled material by 2030.

With its well-defined policies and requirements for forbidden and hazardous chemicals, Clas Ohlson endeavours to ensure that the materials used in the products do not harm nature. Another important factor is offering products to customers that have a lower impact on or promote biodiversity, for instance, FSC-labelled wood.



Phasing out PFAS

Clas Ohlson is working actively to phase out chemicals that are hazardous and for which other better alternatives are available. Internal know-how is improved by participating in external projects, which also allows the company to share information with others. A prime example is PFAS. Clas Ohlson participated in the *Popfree* project, which is a series of projects carried out by RISE Research Institutes of Sweden to promote PFSA alternatives, and is also involved in *ChemSec's* PFAS movement, entailing that the Group is pursuing the aim of becoming free from PFAS. In 2022/23, Clas Ohlson introduced tight restrictions on the use of PFAS and initiated the phase-out of PFAS from all textiles and from products that come into contact with food. The aim is for these two product categories to be PFAS-free by 2025.

Requirements for fire-retardant products were also clarified during the year to ensure that they are only used when absolutely necessary. Restrictions have also been introduced to the use of substances on *ChemSec's SIN List*, with all use requiring justification and approval by Clas Ohlson's product compliance specialists.



Climate reporting

All emission data is for the calendar year. Corrections were made due to updated emissions factors and new reported figures. Clas Ohlson does not climate compensate for carbon emissions.

In line with Clas Ohlson's aim to expand its reporting, additional data for 2022 was included in all scopes, detailed under each specific scope. Accordingly, the trend may appear misleading.

Clas Ohlson is working actively to develop a method to improve the ability to estimate and actually measure Scope 3 emissions and thereby include additional emissions from the value chain, which are estimated to be 5-10 times higher than the emissions currently reported. Emissions from raw materials and production are by far the largest sources of emissions. In addition, significant emissions are generated from use and waste management of sold products.

A new sub-target for Scope 1 and Scope 2 emissions from own operations was adopted during the year – climate neutrality by 2026. Some of the ways this will be achieved are by reducing emissions intensity, reviewing the fleet of the service cars and the company's own cars, and in the future moving over to fossil-free alternatives, and ensuring green electricity in all stores, warehouses and offices.

Climate-related targets and key ratios

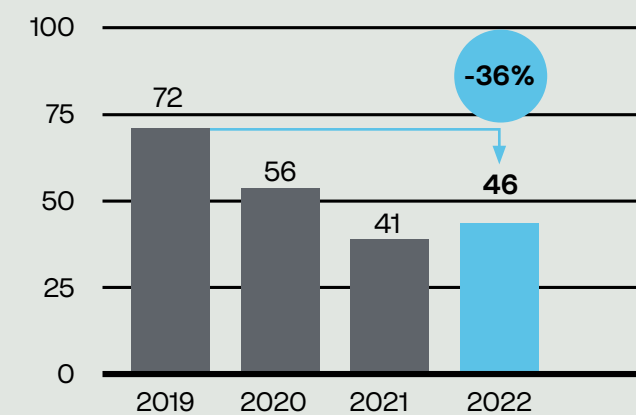
To achieve the long-term climate target of being climate neutral throughout the value chain by 2045, Clas Ohlson has established the following sub-targets. Relevant key ratios are continuously monitored. In the 2022/23 financial year, the Group signed a new green financing agreement that incorporates Clas Ohlson's climate neutrality target for its own operations (Scope 1 and 2).

Key ratios	Sub-target	2019	2020	2021	2022
Greenhouse gases: % reduction in CO ₂ e emissions (Scope 1, 2 and 3) with base year 2019	Climate neutral in own operations (Scope 1 and 2) by 2026	Scope 1 & 2: 1,592 tCO ₂	Scope 1 & 2: -3%	Scope 1 & 2: -30%	Scope 1 & 2: -39%
	20% reduction in total CO ₂ e emissions (Scope 1, 2 & 3*) by 2030	Scope 1, 2 & 3: 17,207 tCO ₂	Scope 1, 2 & 3: -29%	Scope 1, 2 & 3: -34%	Scope 1, 2 & 3: -39%
Renewable energy: % renewable energy in own operations and production	100% renewable energy in all stores, offices and the distribution centre by 2025 (according to the market-based method)	Own operations: -	Own operations: -	Own operations: -	Own operations: 52%
	50% renewable energy in suppliers' production by 2030**	In production: -	In production: -	In production: -	In production: 15%
Energy efficiency: % reduction in energy use (MWh/m ²) in store network with base year 2014	30% reduction in stores by 2030	-19%	-19%	-21%	-26%

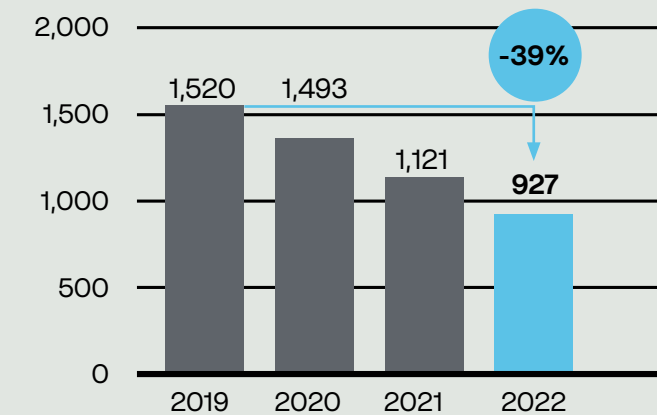
*Scope 3 includes business travel, incoming transportation from Europe and Asia, outgoing transportation to stores and online shopping, waste from Insjön – the distribution centre, head office and store as well as electric waste from the distribution centre and about 40 stores, purchased cloud services and upstream emissions from fuel for electricity, heating and vehicles.

** In the first stage, this includes the share of renewable electricity among 245 suppliers included in the initial analysis.

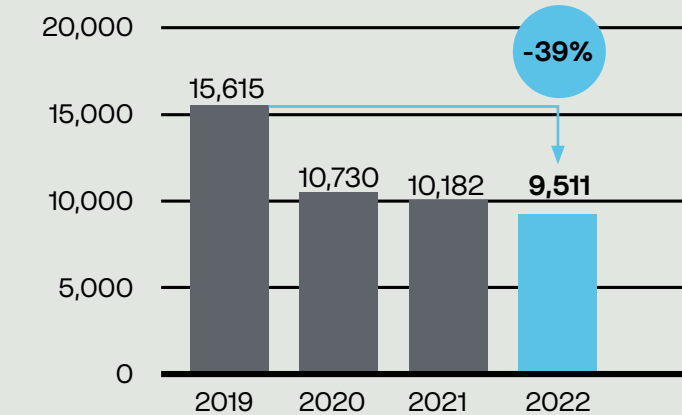
SCOPE 1, tonnes CO₂e



SCOPE 2, tonnes CO₂e



SCOPE 3, tonnes CO₂e



Scope 1+2: GHG emissions from Clas Ohlson's own operations amounted to 973 tonnes in 2022, down 39 per cent compared with the base year 2019.

Scope 1+2+3: GHG emissions from Clas Ohlson's own operations amounted to 10,484.3 tonnes in 2022, down 39 per cent compared with the base year 2019.



Scope 1

Direct emissions from our own operations, which include:

- Post, property, caretaker, and service cars in Insjön
- Company cars
- Oil-fired combustion at the distribution centre and head office in Insjön that are only used as a reserve for district heating stoppages

Sources: DEFRA 2022 (The Department for Environment, Food and Rural Affairs), Drivmedel 2021. Clas Ohlson's emissions under Scope 1 represent a small part of total emissions. The main reason for this is that the company only owns the distribution centre and the head office in Insjön.

Since the preceding year, Scope 1 emissions have increased 12 per cent to 46.3 tonnes CO₂e (41.3). The emissions factor for diesel in Sweden reduced 1.1 per cent and petrol fell 0.5 per cent. The main reason for the increase is the number of km driven by company cars, which was partly because company cars for the purchase office were included in results for 2022. Emissions data for 2019 and 2020 for company cars in Finland was included in 2021. The oil-fired boiler, which is used when the distribution centre's district heating supplier has stoppages, was used fewer times than last year.

Action to reduce emissions

In 2022/23, Clas Ohlson introduced a new sub-target for climate neutrality. The own operations (Scope 1 and 2) are to be climate neutral by 2026, as a sub-target towards fully climate neutral operations by 2045. This sub-target means that certain cars will be phased out while other cars will be replaced with fossil-free alternatives. An evaluation will take place when fossil-free reserve energy is available for the oil-fired boiler.

Scope 2

Indirect emissions from purchased electricity and heating, which include:

- Heating of the distribution centre and head office in Insjön
- Energy consumption at the distribution centre, office and all stores

Sources: IEA (International Energy Agency) 2022, AIB 2022, local environmental data 2021 from Dala Energi Värme AB. Emissions calculations for electricity are location-based using the Nordic electricity mix.

Scope 2 GHG emissions reduced 24 per cent to 927 tonnes CO₂e (1,218). This was partly due to the emissions factor for Nordic energy mix declining 16 per cent and the emissions factor for district heating in Insjön falling a full 62 per cent. However, the reduction in emissions was also due to energy efficiency enhancements through smaller sales areas in stores, smaller premises at the head office and the distribution centre, and lower temperatures in existing units. Yet the greatest factor for the reduction was LED conversions, that is to say, installing LED lighting instead of older lighting sources. LED conversion was a major focal point in 2022. The stores with the highest energy consumption were prioritised. 25 stores had new LED lighting installed, resulting in savings of about 950,000 kWh to date in these stores. It is estimated that a further 60 per cent can be saved in these stores on a full-year basis. A slight effect could be seen from the relatively few LED conversions that were carried out in 2021, but the reduction mainly derives from the stores that were converted in 2022. This was despite the fact that the major effects have not been fully felt since most of the conversions took place in autumn 2022. The full effect of all conversions performed in 2022 will be seen in the 2024 follow-up.

The transition to renewable electricity is another key factor. Two out of three electricity agreements owned by Clas Ohlson have guarantees of origin for renewable electricity. Information about landlords' electricity agreements was collated during the year. Guarantees of origin for consumed electricity were not collected since these agreements are not owned by Clas Ohlson. Electricity with a guarantee of origin plus electricity defined as "green" results in a total share of green electricity for the stores of 96.3 per cent. The share of green electricity for the stores, distribution centre and all offices is 78 per cent according to the location-based method. Following the market-based method, the figure is 52 per cent.

Energy use data for the purchase office in Shanghai was included this year.

Action to reduce emissions

Clas Ohlson works continuously to improve energy efficiency in its own properties and in stores. By converting to LED, energy efficiency has increased 5 per cent and amounted to a total of 26 per cent since 2014.

The target is an improvement in energy efficiency of 30 per cent in the stores by 2030, with 2014 as the base year.

Clas Ohlson is working actively to transition to renewable energy in all stores and has the target of having 100 per cent renewable energy by 2025. In 2023/24, the company will review how it can secure more guarantees of origin.

LED conversions will continue at a fast pace in 2023 with the intention to carry out more than last year. Finland will be the first country to convert all of Clas Ohlson's store network to LED lighting in 2023, and currently only five stores with halogen remain. The change to LED for the remaining Finnish stores is scheduled to take place in autumn 2023.

During the year, the property department looked into the option of the company producing its own renewable electricity in the form of a solar panel facility at the distribution centre in Insjön. A pilot study for an on-shore solar panel facility was initiated in the first quarter of 2023/24. If the study shows that the intended location is suitable and has positive results, it would be possible to have a facility in place by Q1 2024/25.

Scope 3

Indirect emissions from activities taking place outside own operations, which include:

- Business travel
- Incoming transportation from Europe and Asia
- Outgoing transportation to stores and online shopping
- Waste from Insjön – the distribution centre, head office and store as well as electric waste from the distribution centre and about 40 stores.
- Purchased cloud services
- Upstream emissions from fuel for electricity, heating and vehicles

Sources: DEFRA 2022 (for air travel includes RF = "radiative forcing," which means the higher climate impact arising from emissions at high altitudes), Ecoinvent (life cycle inventory database), IEA 2022.



Since the preceding year, Scope 3 emissions have reduced 6.3 per cent to 9,511.4 tonnes CO₂e (10,151.6). Despite more data being included in the reporting, Scope 3 emissions have declined, mainly as the result of the entire transport industry taking significant steps towards fossil-free fuels.

Clas Ohlson continuously includes more data in its Scope 3 reporting, which is where the majority of emissions arise. The category of business travel was expanded this year to include travel in Finland and Norway. Data on electric waste for about 40 stores in Sweden and Finland, whereby local partners with producer responsibility collect directly in stores, was included. Data for purchased cloud services was also expanded to include emissions from Microsoft 365 users. Upstream emissions from fuel for electricity, heating and vehicles (WTT, Well-To-Tank) was included in 2020 from 2018 and onward, and emissions for private travel by car in Norway were added for the years 2017-2020 in the 2022 reporting.

Mix plastic was sorted at the distribution centre during the year, which resulted in 17,600 kg of mixed plastic going to material and energy recycling. The fraction of mixed waste also reduced by 35,000 kg. This is a positive change, but unfortunately led to increased CO₂ emissions since energy recycling of plastic generates higher CO₂ than mixed waste. This is the reason that the emissions for the waste category increased.

Action to reduce emissions and expand reporting

Clas Ohlson's stores are mostly located in shopping centres, which to date has made it difficult to report complete waste data from these stores. In 2023/24, landlords will be subject to stricter demands to help expand reporting of waste data. At the same time, landlords themselves are also raising their sustainability requirements, which Clas Ohlson is positive towards.

Clas Ohlson has agreements with local companies to fulfil its producer responsibility for the collection and recycling of electrical products and batteries in Sweden, Norway and Finland. Data from more companies was collated during the year, and this work will continue in 2023/24.

Significant Scope 3 emissions that are not currently included in reporting

Indirect emissions from activities taking place outside own operations:

- Emissions from production
- Emissions from use and final processing of sold products
- Co-workers commuting to and from work

Action to reduce emissions and expand reporting

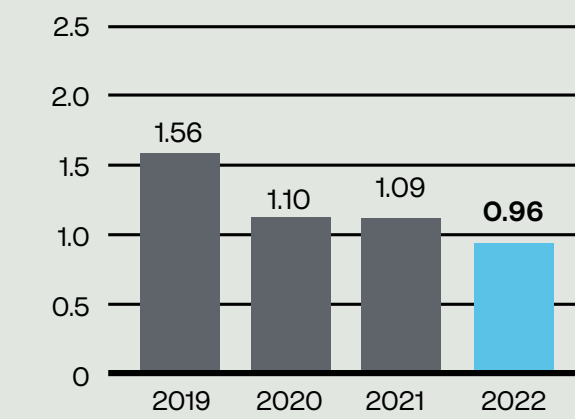
Clas Ohlson works actively to find methods to include a larger amount of the operations' Scope 3 emissions. During the year, information about materials in all proprietary brand products started to be collected, with the climate impact of the individual product analysed in the next stage. This will guide Clas Ohlson's purchasing team to make sustainable choices with the ambition of also helping customers to choose products with a lower climate impact. The aim is also to have this in place for all own label products by 2025.

178 environmental assessments were carried out in China during the year, representing 93 per cent of purchasing volumes. Energy data from suppliers was also collected to analyse the use of renewable energy. In the first stage, data was collected from 245 suppliers and revealed that 15 per cent of energy consumption is green, the majority of which derives from solar power.

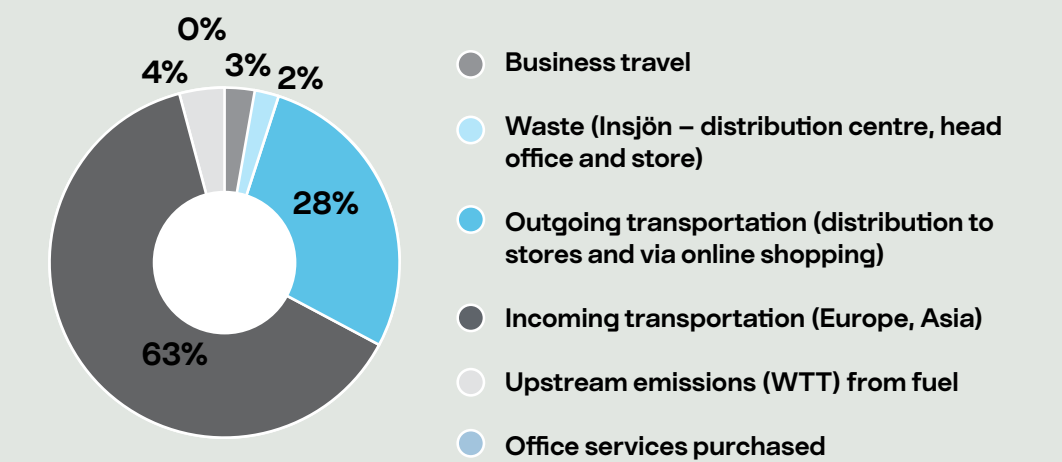
Product development and sustainability criteria for products are also key components in reducing emissions. Read more about Clas Ohlson's product development and PSAM on page 82.

Clas Ohlson can help customers extend the service lives of their products by offering spare parts, now available both online and in more than 120 physical stores, and by providing repair guidance. Clas Fix it supports the climate transition by helping customers with repairs and installing charging boxes for electric cars, for example.

Carbon emissions from transportation in relation to sales, grams of CO₂/SEK



Scope 3 carbon emissions, distribution 2022



GREENHOUSE GAS EMISSIONS (GHG PROTOCOL)

	2020	2021	2022
Total emissions, tonnes (tCO₂e)	12,277.9	11,421.6	10,484.3
Direct GHG emissions, Scope 1	55.5	41.3	46.3
Own cars (Pool, property, caretaker, post cars at the distribution centre and head office in Insjön and company cars)	55.5	37.3	46
Oil-fired combustion at the distribution centre and head office in Insjön, that are only used as a reserve for district heating stoppages	0	4	0.2
Indirect GHG emissions, Scope 2 (location-based)	1,492.8	1,218.2	926.6
Electricity purchased to all stores and head office, distribution centre	1,474.5	1,153.2	904.8
Heating purchased to the distribution centre and head office in Insjön	18.3	65.1	21.7
Other indirect GHG emissions, Scope 3	10,729.6	10,162.1	9,511.4
Business travel	116.7	93.7	294.4
Transportation	9,323	9,246.2	8,667
of which incoming transportation from Europe	606.8	713.2	581.2
of which incoming transportation from Asia	4,993.7	5,660.3	5,443.1
of which outgoing transportation to stores	3,135	2,394.7	2,103.9
of which outgoing transportation to online shopping	587.5	478	538.8
Waste from Insjön – distribution centre, head office and store	163.1	158.6	181.9
of which recycled materials	26.5	21.7	18.1
of which combustible waste	123.4	127.3	153.3
of which hazardous waste	8	3.7	2.4
of which electric waste	-	-	1.9
Office services purchased – cloud service	-	10.5	21
Well-to-Tank (WTT) – Production and distribution of fuel for electricity, heating and vehicles.	1,126.8	653.1	349



Climate-related opportunities and risks

Identifying climate-related opportunities and risks is part of the overall risk management process. Read more on page 21. In 2023, Clas Ohlson carried out an analysis to determine the company's most material climate-related topics and make further adjustments to reporting under the Task Force on Climate-related Financial Disclosures (TCFD) framework. Clas Ohlson has not yet established any climate-related scenarios in its analysis but will consider preparing such scenarios for future reporting.

Overview of climate-related opportunities

OPPORTUNITY & DESCRIPTION	TIME HORIZON*	RISK MANAGEMENT
<p>Reduce emission sources in own operations and the supply chain Reducing GHG emissions in the company's own operations and supply chain reduces exposure to future carbon taxes and expansions of emission trading systems. This could result in lower production costs and may increase Clas Ohlson's competitiveness in the market.</p>	Medium	<ul style="list-style-type: none"> - Clas Ohlson has a long-term climate target to become climate neutral throughout the value chain by 2045 (Scope 1, 2 and 3). In addition to the long-term target, two sub-targets have been set including becoming climate neutral in own operations by 2026 (Scope 1 and 2) and reducing the Group's total emissions relative to sales by 50 per cent by 2030 (Scope 1, 2 and 3). - The company has also a target to only use renewable energy in its own operations by 2025 and to have 50 per cent renewable energy in the production at its suppliers by 2030. One of the actions taken to ensure that the renewable energy target is achieved is the self-assessment form sent to suppliers that includes questions regarding the share of renewable energy of their total energy consumption. Clas Ohlson is also investigating how the Group can help its suppliers acquire renewable energy certificates and hence increase the share of renewables in production. - For 2023/2024, Clas Ohlson has the aim of setting a new climate-related transportation target which will apply to all transportation. This will supplement Clas Ohlson's current target of having fossil-free transportation within the Nordics by 2030.
<p>Expanding the offering of low-impact products Growing demand for products with lower climate impact provides Clas Ohlson with an opportunity to develop its range of products with lower carbon footprints and thereby attract more customers, which ultimately could lead to increased revenues.</p>	Short to Medium	<ul style="list-style-type: none"> - Clas Ohlson's PSAM comprising 11 different sustainability criteria steers the product offering in a more sustainable direction by continuously raising the thresholds for each criterion. At the end of the financial year, 53 per cent of the sales volume of proprietary brands had been assessed under the PSAM.
<p>Expanding the offering of sustainable lifestyle products Increasing awareness of climate change and its effects may not only increase demand for products with a lower environmental impact, but also alter consumer patterns towards products that help the customer live more sustainably.</p>	Short to Medium	<ul style="list-style-type: none"> - Clas Ohlson offers products and services that help customers live a more sustainable lifestyle. It includes investments in a wide assortment of spare parts and the introduction of repair and re-use services such as Clas Fix it. - Clas Ohlson continuously follows trends and changes in consumer behaviours in order to tailor the offering to meet customer requirements in all home markets.
<p>Developing a more circular business model Increasing awareness of climate change and its effects may also increase the demand for more circular business models. This creates an opportunity for Clas Ohlson to continue to develop its business model and thus attract more customers.</p>	Short to Medium	<ul style="list-style-type: none"> - In addition to Clas Ohlson's increased focus on spare parts, the company is working to become more circular throughout the value chain and has set the long-term target of reaching full circularity by 2045. As part of these endeavours, a purchase office was opened in Poland to gain better access to more markets for recycled materials.
<p>Using more efficient production and distribution processes A more efficient supply chain based on carefully selected and close supplier partnerships production and logistics could enhance efficiency.</p>	Short to Medium	<ul style="list-style-type: none"> - Clas Ohlson works with Bill of Materials (BoM) and Bill of Substances (BoS) to analyse the materials requires in its products and to enhance efficiency, both to reduce costs but also to increase the sustainability performance of its products. - The Group constantly strives to optimise energy use in its stores and properties and has set a target for 30 per cent energy optimisation in all stores by 2030 (base year 2014).

*Clas Ohlson defines short as 0-1 years, medium as 1-3 years, and long as 3-25 years.

Overview of climate-related risks

RISK AND DESCRIPTION	TIME HORIZON*	RISK MANAGEMENT
<p>Changing customer preferences and patterns As the effects of the climate change become more frequent and severe, customer demand for products and services with lower climate impact is expected to rise. If Clas Ohlson is unable to adapt its business model accordingly, the company risks experiencing lower demand for its products and services.</p>	Short to Medium	<ul style="list-style-type: none"> - Clas Ohlson's PSAM comprising 11 different sustainability criteria steers the Group's product offering in a more sustainable direction by continuously raising the thresholds for each criterion. - Clas Ohlson has increased its focus on spare parts and invested in its reserve offering to help customers extend the service lives of their products. Clas Ohlson has also started to offer supplementary services, such as Clas Fix it, to provide a complete solution for different customer needs.
<p>Carbon price regulations The introduction of carbon taxes and expansion of emission trading systems will increase the cost of companies' GHG emissions. Clas Ohlson's greatest exposure to GHG emissions is from its supply chain, which may affect the production costs of the Group's products.</p>	Medium	<ul style="list-style-type: none"> - Clas Ohlson has set a long-term target to become climate neutral throughout the value chain by 2045 (Scope 1, 2 and 3). In addition to the long-term target, two sub-targets have been set including becoming climate neutral in own operations by 2026 (Scope 1 and 2) and reducing the Group's total emissions relative to sales by 50 per cent by 2030 (Scope 1, 2 and 3). - The Group has also set a renewable energy target to only use renewable energy within its own operations by 2025 and to have 50 per cent renewable energy in the production at its suppliers by 2030. One of the actions taken to ensure that the renewable energy target is achieved is the self-assessment form sent to suppliers that includes questions regarding the share of renewable energy of their total energy consumption. Clas Ohlson is also investigating how it can help suppliers acquire renewable energy certificates and thereby increase the share of renewable energy in production. - For 2023/2024, Clas Ohlson has the aim of setting a new climate-related transportation target which will apply to all transportation. This will supplement Clas Ohlson's current target of having fossil-free transportation within the Nordics by 2030.
<p>Enhanced emission-reporting obligations Regulators' interest in Product Environmental Footprint (PEF) reporting is increasing while at the same time Clas Ohlson is offering a wide range of products. If PEF reporting becomes mandatory for a large group of products, it would require a significant resources from Clas Ohlson to continuously conduct and update such reporting.</p>	Medium to Long	<ul style="list-style-type: none"> - Clas Ohlson continuously monitors and evaluates future regulations to ensure the organisation is prepared for such changes once they enter into force. The PSAM helps the Group to understand its products environmental footprint. In addition, the Group has started to analyse and collect data on the environmental footprint of all materials used in its products through a Bill of Material (BoM) and Bill of Substances (BoS).
<p>Increased ecodesign requirements on existing products EU and other regulators have introduced proposals to make existing products become more environmentally friendly, circular, and energy efficient throughout their life cycle. Since Clas Ohlson operates in the lower price segment and offers its customer a wide range of products at affordable prices, the Group risks being unable to adapt its range according to these stricter ecodesign requirements.</p>	Medium	<ul style="list-style-type: none"> - Clas Ohlson is working to become more circular and has set a long-term target to reach full circularity throughout the value chain by 2045. The Group has also established a purchase office in Poland to secure an alternative supply chain close to its home markets and increase access to more mature markets for recycled materials. - Refer also to the mitigating measures taken for the risk of "Changing customer preferences and patterns," as these also help to limit the risk of "Increased ecodesign requirements on existing products."
<p>Increased concerns from lenders and investors Banks and investors are reducing the GHG emissions of their portfolios to align with climate-related targets, regulations, and sector initiatives. If Clas Ohlson cannot present progress in reducing its GHG emissions, the Group risks having less access to capital, which could increase the Group's financing costs.</p>	Short	<ul style="list-style-type: none"> - In 2022/2023, Clas Ohlson entered into a new green financing agreement, which incorporates Clas Ohlson's climate neutrality target for its own operations (Scope 1 and 2). - The Group has a strong financial position and solid cash generation, also two families (both descendants to the founder of Clas Ohlson) hold a long-term shareholding position in the company of more than 50 per cent. - Refer also to the mitigating measures taken for the risk of "Carbon price regulations," since these also help to mitigate the risk of "Increased concerns from lenders and investors."
<p>Production disruptions due to extreme weather Several of Clas Ohlson's suppliers are in areas that are exposed to risks such as flooding, heavy rainfall, and water and energy shortages. The risk of increased frequency of extreme weather events may lead to disruptions in Clas Ohlson's supply chain, which could result in lower revenues and/or higher costs.</p>	Short to Medium	<ul style="list-style-type: none"> - Clas Ohlson has performed an independent risk screening of its largest suppliers, including the risk of increased frequency of extreme weather events. As a next step, the Group will require information from its suppliers about any previous extreme weather events and how they work to mitigate the risks of such events. - Clas Ohlson has a large network of suppliers with different geographical locations within China, Vietnam and Poland. As a result, in case of an extreme weather event, it is possible for the Group to relocate production from one supplier to another.

*Clas Ohlson defines short as 0-1 years, medium as 1-3 years, and long as 3-25 years.



People

Clas Ohlson's ambition

An inclusive organisation with zero tolerance for discrimination, and with diversity among our co-workers. We aim to be a long-term and sustainable employer with happy co-workers.

Focus areas

- Our diversity and inclusion efforts, as regards recruitment, commitment and added value and communication
- Ambition to offer attractive employment focusing on higher employment rates in our store organisation
- Develop leadership within the organisation
- Active work on corporate culture
- Increase the share of co-workers who recommend Clas Ohlson as an employer



A sustainable enterprise is based on co-workers who are happy, and who believe they can develop and contribute to the business.

Clas Ohlson is to be an attractive employer that develops and retains competent and committed co-workers. Co-workers who enjoy their work, are happy and committed, stay longer and are important ambassadors for Clas Ohlson as an employer.

112 sustainability ambassadors

Co-workers are the key to the journey towards a sustainable company and several of them have trained to become sustainability ambassadors during the year. A sustainability ambassador at Clas Ohlson is someone who makes a concrete contribution to the company's sustainability agenda by learning more about sustainability issues, providing feedback and sharing sustainability information in their workplace. One important part is also to provide tips and guidance to help co-workers and customers to live more sustainably. Today, there are trained sustainability ambassadors, in all countries and at all levels, including all members of Group Management.

To become a sustainability ambassador, co-workers must complete a digital sustainability training course on our learning platform, where they learn in more detail about the company's sustainability strategy and targets, sustainability related to products and their production. Part of the training includes the World Childhood Foundation's "Important Adult" course which teaches how adults can detect and respond to children who are being abused. After training, the sustainability ambassadors are offered additional meetings for discussions and further information.



Signing for the future

When Omer Afzal started working at Clas Ohlson's Asker Slependen store in Norway in summer 2022, there was some initial uncertainty about communication since Omer uses sign language. All of his co-workers in the store decided to turn this into an advantage and quickly adopted new ways of communicating, by using telephones and computers or taking the opportunity to learn common phrases in sign language.

Omer, who helps control the store backroom, also supports the store's department coordinator. After only six months, Omer now has a permanent position, working 40 per cent.

Starting this year, Omer will also be in the store when the doors open. His name badge says "I speak sign language" to make it easier for customers.

"This learning process has not only enriched our work environment but has also made our team much more robust than before Omer joined us," says Fernando Enrique Heredia, store manager, Asker Slependen.



An attractive employer

Clas Ohlson's co-worker strategy, "Happy co-workers", offers guidance in assigning priorities and how the company is to position itself as an employer in order to achieve set targets. Our co-worker offering includes feeling welcome at the company, included and being offered the opportunity to grow together with us. The strategy is based on insights into co-workers, the business environment, internal strengths and challenges.

Clas Ohlson's ambition is to offer attractive employment focusing on a higher level of employment in the store organisation, with predictable employment in terms of schedules and salaries. The purpose is to increase co-workers' commitment and motivation, and contribute to happy co-workers who in turn lead to happy customers. Specific targets for this work were set in the 2022/23 financial year, with a greater focus on measuring and monitoring progress. Defined guidelines and tools have been designed to ensure that these efforts are carried out in line with Clas Ohlson's ambition.

Leadership

Leadership at Clas Ohlson involves embodying the culture and creating the conditions for co-workers to be themselves and use their strengths at work.

Investments in leadership training continued on 2022/23 in order to develop managers. The training concept mixes discussions on leadership with practical training. The contents of the frequent but short training modules can quickly be adapted according to the needs of the business. Most managers have now completed the course and the number of participants is increasing year by year.

Considering the extensive changes made to the office organisation during the financial year, the outcome of the employee survey carried out in spring 2023, with 90 per cent of work groups saying that they have good or excellent leadership, is particularly positive. The outcome revealed an increase compared with last year's result of 80 per cent. It is also gratifying that the eNPS, meaning the like-

lihood of recommending Clas Ohlson as an employer, rose from 10 to 15, with the largest increase noted in the stores. All key ratios in the employee survey trended positively, and besides leadership and eNPS, improvements were also seen in team efficient, work environment and commitment. According to the Randstad Employer Brand Research 2023, Clas Ohlson is one of the 25 most attractive employers in Sweden. Randstad Employer Brand Research carries out surveys into the criteria that Swedish employees consider important in their choice of employer, plus the attractiveness of the country's 150 largest employers. 4,326 people responded to this year's survey.

Skills development

Employee skills are developed through customised, formal training and by making it easy to share skills within in the company. Several of the formal training modules are available on the digital teaching platform: Clasroom. During the financial year, 103 new training modules were prepared in three languages ranging from everything from product training to training in sustainability issues. 76,986 training modules of varying lengths were held during the financial year.

One ways for co-workers to share knowledge and experience with one another is through several different collaborative tools. One popular tool is Workplace by Meta. During the financial year, 93,805 posts were published on Workplace by 3,120 co-workers, and 142,139 comments on these posts were made by 4,202 co-workers.

Recruitment

When recruiting, we seek co-workers who want to be a part of and strengthen our culture and who want to grow together with us. A fundamental idea is to seek to offer many opportunities to those who want to develop, and nurture different interests and skills in the company.

Having a service mindset, commitment, a business-oriented approach and a willingness to constantly improve are important prerequisites to enjoy working with Clas Ohlson Increased diversity, a variety of skills, backgrounds and personalities are key for creating an innovative, creative climate and profitable growth.

All new co-workers complete an onboarding programme to ensure the best possible start and to make sure that they feel welcomed to Clas Ohlson. In our stores, this onboarding takes place on site with the help of digital materials through Clasroom. For office co-workers, onboarding typically takes place in Insjön, where different functions introduce themselves and present how they contribute to Clas Ohlson's long-term objectives. New recruits receive a detailed introduction according to the requirements of their position as part of which they meet the co-worker they will be working most closely alongside. The onboarding programme, which creates a fantastic launchpad for our new co-workers, has received very positive reviews from its participants in their evaluations.

Diversity at Clas Ohlson

Clas Ohlson endeavours to ensure that every workplace and every level of the company has co-workers with different backgrounds, skills and experience. We know that increased diversity contributes to greater creativity and innovation and that a permissive environment enables perspectives and ideas to be shared and challenged so that we grow both as co-workers and as a company. The more that we can reflect our customers, the better we can comprehend and meet their wishes and needs. For this reason, it is important at Clas Ohlson that every co-worker can be themselves. In this way, we obtain an inclusive and creative environment where different perspectives help us to make the right decision, and where our co-workers and ultimately our customers believe they can be themselves and feel welcome.



English is Clas Ohlson's corporate language to increase inclusion. Several languages are often spoken in stores and it is possible for each store to clearly display the range of language skills by using flags on name badges.

Diversity is measured in the major annual employee survey by asking the question "Do you work in the country where you were born?" By 2025, the aim is for 20-25 per cent of Clas Ohlson's co-workers to have a background in another country than the one they currently work in. According to the most recent survey, 9 per cent of co-workers work in a different country than the one they have their background in.

Gender equality at the company

Clas Ohlson has set a clear target to have an equal gender distribution (50/50) in all groups and at all levels.

During the financial year, 47 per cent were female and 53 per cent male. The gender division in Group Management is 33 per cent female and 67 per cent male. The distribution among all managers is 40 per cent female and 60 per cent male.

Confirmation that Clas Ohlson is on the right path was gained in April 2023 when the company was named "newcomer of the year" in the SHE Index (Sweden) with a score of 83. The average index for the consumer goods/retail category was 74. SHE Index powered by EY is an index that measures and helps companies develop their efforts in diversity, equality and inclusion.

Well-being among co-workers

Co-workers who enjoy their work, are happy and committed, stay longer and are important ambassadors for Clas Ohlson. It is important to us to be able to offer a stimulating and healthy work environment, where co-workers enjoy physical and mental well-being, and feel a sense of trust, security and belonging. Active and preventive efforts are made to improve employee attendance, through invest-

ments in areas such as leadership, occupational health and safety and preventive healthcare.

Employee attendance in 2022/23 was 93.1 per cent (92.5). The target is 96 per cent. In 2022/23, we worked actively to strike the right balance between working from home and working at one of our offices, and we now have clear guidelines in place for how we can

combine these two options to continue to strengthen collaboration, build our culture and promote health at work. We have reduced office space at the head office in Insjön and the office in Stockholm, and created a more inclusive work environment that nurtures collaboration. The aim is to implement similar changes at other offices.

Form of employment by country*	Permanent and trial employees			Temporary employees			Total		
	2022/23	2021/22	2020/21	2022/23	2021/22	2020/21	2022/23	2021/22	2020/21
Sweden	2,129	2,231	2,108	267	301	373	2,396	2,532	2,481
Norway	1,843	1,866	1,800	0	0	0	1,843	1,866	1,800
Finland	486	463	483	21	81	45	507	544	528
China	52	59	58	0	0	0	52	59	58
Poland	3	2	0	0	0	0	3	2	0
UK	0	33	34	0	0	0	0	33	34
Total	4,513	4,654	4,483	288	382	418	4,801	5,036	4,901

Gender distribution*	Men			Women			Total		
	2022/23	2021/22	2020/21	2022/23	2021/22	2020/21	2022/23	2021/22	2020/21
Number of employees							4,801	5,036	4,901
- of whom permanent and trial employees							4,513	4,654	4,483
- of whom temporary employees							288	382	418
Total	2,545	2,669	2,647	2,256	2,367	2,254	4,801	5,036	4,901
Percentage	53%	53%	54%	47%	47%	46%	100%		
Managers, %	60%	58%	64%	40%	42%	36%			
Non-managers, %	53%	53%	54%	47%	47%	46%			

Employee turnover and employee attendance	Employee turnover, %			Employee attendance, %		
	2022/23	2021/22	2020/21	2022/23	2021/22	2020/21
Stores	35.6	32.0	34.0	92.3	91.6	-
Warehouse	7.6	11.4	18.9	88.4	87.0	-
Office employees	21.7	14.9	15.5	97.1	97.0	-
Total	30.9	27.0	29.1	93.1	92.5	94.0

*Data in this table does not include Clas Fix it. For FTE refer to Note 32 page 63.



Society

Clas Ohlson's ambition

Contributing to a fair and prosperous society.

Focus areas

- Follow-up of compliance with the Code of Conduct, international laws and regulations
- Ensure zero tolerance toward corruption and compliance with our standards for business ethics.
- Continue work on socially responsible purchasing
- Further work with social responsibility close to the operations and the focus area of "children's rights" – to be children's rights ambassadors
- Help to make Clas Ohlson a meaningful and trusted brand through partnerships based on transparent reporting and strategic partnerships with selected organisations



As a business, Clas Ohlson has an opportunity and a responsibility to contribute to a better society. Children's rights are high on the agenda.

Clas Ohlson's social responsibility is based on the conditions of the locations in which the operations are conducted. In a world that is more interconnected than ever before, a real difference can be made through strategic partnerships with relevant companies.

Ambassador for children's rights

The children's rights perspective has long been a central pillar. Clas Ohlson wants to contribute towards a childhood that is free from abuse and where children have the opportunity to receive an education. This year's efforts to strengthen children's rights mainly took place through our collaboration with World Childhood Foundation, the Clas Ohlson Foundation and Save the Children.

In partnership with the World Childhood Foundation, Clas Ohlson informs and trains co-workers in identifying and preventing children from being subjected to violence and sexual abuse. More than 2,350 co-workers have completed the course since the partnership began in 2019. About 200,000 packets or almost 6.9 million children's rights plasters have been sold in Clas Ohlson stores during this period. This has generated a total of 3 MSEK for World Childhood Foundation's important work.

Clas Ohlson Foundation carries out initiatives for young people in Dalarna, but also supports education for girls in Cameroon and Nigeria. During the financial year, the Foundation continued its partnership with the Locker Room Talk association, which works to break destructive attitudes and language in sports changing rooms.



Clas Ohlson engaged with suppliers in various training measures during the year together with Save the Children's Centre for Child Rights and Business in China. During the financial year, four factories held courses for migrant workers in parenthood and in their children's rights and well-being. These courses involved a total of 329 children of 219 factory workers. In addition, several online training courses in child labour and responsible recruitment were arranged for suppliers together with partners.

TILL FÖRMÅN FÖR
**SVERIGES
STADSMISSIONER**

CHILDHOOD
WORLD CHILDHOOD FOUNDATION
FOUNDED BY H.M. QUEEN SILVIA OF SWEDEN

Clas Ohlson
FOUNDATION



Ethical business

It is very important for Clas Ohlson to ensure that its operations maintain a high level of ethics. It is not enough to merely follow laws and regulations, rather Clas Ohlson's ambition is to ensure compliance with standards for business ethics and zero tolerance towards corruption.

The Code of Conduct and Code of Business Ethics, both of which are reviewed annually and adopted by the Board, define the requirements and instructions that co-workers and partners are both expected to follow. Clas Ohlson conducts continual and regular training for relevant co-workers. Unannounced audits are carried out at regular intervals.

Together with the organisation ECPAT, Clas Ohlson has ensured that internal policies and processes maintained a high level in efforts to end abuse, exploitation, trafficking and all forms of violence against children. Clas Ohlson works continuously on spreading knowledge internally about policies and guidelines. NetClean has been installed on the company's computers for several years now as a tool to stop the spread of material depicting sexual abuse of children.

The greatest risk of corruption is in the purchasing process and when signing major agreements. The risk is largest in Asia where about 70 per cent of products are manufactured. Therefore, regular training is arranged for all co-workers who work with purchasing and high-value contracts, and for partners in this area. Digital training and information, including the Code of Business Ethics, are available to all co-workers on the intranet. On-site training courses at the purchase office in Shanghai were also held in addition to virtual training.

Reporting deviations and whistleblowing

Persons in the following categories are encouraged and expected to report breaches of Clas Ohlson's Code of Conduct and Clas Ohl-

son's Code of Business Ethics, and also when fraud, money laundering or harassment is identified. Clas Ohlson's (current and former) co-workers, shareholders, trainees, jobseekers, management or Board members, partners, customers, suppliers etc., as well as all individuals who report on information received in a work-related context, such as volunteers, temporary employees or individuals who are associated with the whistleblower.

Deviations from Clas Ohlson's Code of Business Ethics may be reported anonymously through the external whistleblower service, WhistleB, or to Clas Ohlson's General Counsel. No incidents of the type described above were reported during the financial year.

Controlling the supply chain

Clas Ohlson's greatest risk of corruption is in the purchasing process. Clas Ohlson buys products from suppliers in Europe and directly from purchase offices in Poland, China and Vietnam. Clas Ohlson's ambition is to collaborate in close, trusting partnerships with all its suppliers. A global team is dedicated to monitoring requirements and expectations regarding sustainability and ethics. This takes place through audits and results in continual improvements.

Clas Ohlson's Code of Conduct forms the basis of work to monitor and develop the supply chain. It is an integrated part of the operations and sets requirements covering human rights, employees' rights, the environment, influence on children's rights and business ethics.

Clas Ohlson's audit programme encompasses 485 factories, and 212 internal audits were performed during the financial year. Most of these were in China, where most production is found. The most common type of audit is unannounced. An unannounced audit means that the supplier is not informed of the exact audit date.

Number of audits	Type of audit
212	Internal social audits
203	Unannounced social audits
26	New social audits, before placing order – partnership started
0	New social audits, before placing order – no partnership started
12	New social audit of existing supplier, due to new location and address
73	No audit by Clas Ohlson – only valid and approved Sedex report outside China
65	Environmental assessments



Clas Ohlson currently has internal auditors in China. External auditors and Sedex standards are used in India and Vietnam. Clas Ohlson has been affiliated with Sedex since 2017 for increased transparency regarding responsible purchasing that has now been integrated into the supplier assessment programme. The audits use standardised templates and the results can easily be shared with others. If a supplier has already undergone a Sedex audit and can share a report that is less than one year old, this report is examined, and if it meets requirements Clas Ohlson will not conduct its own audit.

Deviations from the Code of Conduct

This year, 99.6 per cent (99.8) of factories were free from critical deviations. This means that if a critical deviation is detected during a social audit it is immediately corrected. The aim is that 100 per cent of factories have no critical deviations, and this applies both to current and to new factories. 28 of the year's 212 audit results were critical, of which 7 had serious deviations that were quickly corrected.

Serious deviations in health and safety issues, forced labour and child labour are unacceptable to Clas Ohlson. If an existing supplier cannot meet the minimum requirements Clas Ohlson's orders are stopped. In respect of certain deviations, production is paused while the supplier is given an opportunity to rectify deviations. If the supplier does not rectify the deviations, the partnership is terminated. No partnerships were terminated during the year.

Clas Ohlson monitors compliance and offers training when necessary for suppliers with whom the company chooses to begin partnerships. A subsequent audit is conducted after about 1.5 years. Improvements and rectification of certain deviations are verified in documents and photographs provided by the supplier. Other deviations require external checks of documentation and measures to be taken. These follow-up audits take place at the factory 3–6 months after the most recent audit.

Examples of serious deviations

- Occupational health and safety: An extra emergency exit is needed or that dormitories are in the same building as production
- Child labour: Under 16 in China, under 15 according to the ILO Convention
- Discrimination: Religion, gender, age affect employment
- Forced labour: The factory keeps the employee's ID card or wage to stop the employee from leaving their work, for example that part of the wage is paid monthly but the remainder is paid at the end of the year
- Audit access denied: The supplier does not allow a social audit to take place or does not offer the auditor access to all parts of the factory
- Discipline: Monetary fines
- Other employment conditions: The factory uses a manual attendance register.

TCFD Index

Clas Ohlson reports its climate-related risks according to the framework of the Task Force on Climate-related Financial Disclosures (TCFD). To provide its investors and other stakeholders easy access to the TCFD-related information, the following index shows where the relevant information can be found in the Annual and Sustainability Report.

Reference		Page	
Governance	a)	Board's monitoring of climate-related risks and opportunities	Corporate governance p. 25-30
	b)	Management's role in evaluating and managing climate-related risks and opportunities	Corporate governance p. 25-30
Strategy	a)	The short, medium and long-term climate-related risks and opportunities that the organisation has identified.	Risks and uncertainties p. 20-24 Climate reporting p. 84-87
	b)	The impact of the climate-related risks and opportunities for the organisation's business, strategy and financial planning.	Planet p. 80-87 Risks and uncertainties p. 87 Climate reporting p. 84-87
	c)	Resilience of the organisation's strategy with respect to various climate-related scenarios	Risks and uncertainties p. 20-24 Climate reporting p. 84-87
Risk management	a)	The organisation's processes for identifying and evaluating climate-related risks.	Risks and uncertainties p. 20-24
	b)	The organisation's processes for managing climate-related risks.	Risks and uncertainties p. 20-24 Planet p. 80-87
	c)	Processes for identifying, evaluating and managing climate-related risks are integrated in the organisation's overall risk management	Risks and uncertainties p. 20-24
Targets and metrics	a)	Metrics used by the organisation to evaluate climate-related risks and opportunities in accordance with its strategy and risk management process	Climate reporting p. 84-87
	b)	Scope 1, Scope 2, and if applicable Scope 3, GHG emissions and their inter-related risks	Climate reporting p. 84-87
	c)	Targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Sustainability targets and outcome p. 12 Planet p. 80-87 Climate reporting p. 84-87



Reporting in accordance with Article 8 of the Taxonomy Regulation

As of 2021, the requirements pursuant to Article 8 of the EU Taxonomy Regulation EU 2020/852 ("EU Taxonomy") apply to Clas Ohlson. The EU Taxonomy came into effect in July 2020 in order to help investors identify and compare environmentally sustainable investments through the use of a common classification system for environmentally sustainable economic activities. Initially, the EU Taxonomy focuses on activities in sectors that are considered to have the greatest environmental impact. Clas Ohlson's principal activity is retail, which is not a sector currently covered by the EU Taxonomy. Although this sector is not currently covered, the company has reviewed its operations in relation to the economic activities described in the Climate Delegated Regulation regarding climate change mitigation or climate change adaptation (EU) 2021/2139, in order to identify potential economic activities that are subject to the reporting obligations stipulated in the EU Taxonomy.

Clas Ohlson's Taxonomy-eligible activities, and that are or may be environmentally sustainable ("Taxonomy-aligned"), are reported here with accompanying reporting principles.

Charging stations for electric vehicles in buildings

Clas Ohlson's subsidiary Clas Fix it offers the installation of charging boxes, which according to Clas Ohlson's interpretation means that the Group has the eligible activity "7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)" under the economic objective of climate change mitigation. In terms of turnover (sales), this activity is immaterial in relation to the Group's total turnover and is presented in the following table rounded down to 0 per cent of the Group's turnover.

Transport by motorbikes, passenger cars and light commercial vehicles

Clas Ohlson has the eligible economic activity 6.5 Transport by motorbikes, passenger cars and light commercial vehicles under the economic objective of climate change mitigation for the purchase of Taxonomy-related products and services. For Clas Ohlson, this refers to capital expenditure (CapEx) for leasing passenger and company cars. It has not yet been possible to carry out a complete assessment of Taxonomy alignment since the company relies on third parties and complete data on how vehicles meet the requirement of doing no significant harm to the Taxonomy's other environmental objectives has not been obtained.

Acquisition and ownership of buildings

Clas Ohlson has leases of facilities for stores, offices and warehouses (see Note 12). Clas Ohlson thus has the eligible economic activity 7.7 Acquisition and ownership of buildings under the economic objective of climate change mitigation for the purchase of Taxonomy-related products and services. This refers to CapEx for new and extended leases of premises. For the 2022/23 financial year, reported CapEx refers to acquired right-of-use assets pertaining to store premises.

Reporting principles

Turnover, CapEx and OpEx for reporting in accordance with Article 8 of the Taxonomy are defined below. Note that the definitions for CapEx and OpEx differ from those reported in Clas Ohlson's financial reporting. The table was checked to ensure that no amount had been counted twice.

Turnover

Total turnover corresponds to net sales in the consolidated income statement in the Annual Report, refer to the consolidated income statement on page 36.

CapEx

CapEx means additions to intangible and tangible assets during the year considered before depreciation, amortisation and any re-measurements and excluding fair value changes. It also includes additions for right-of-use assets and tangible and intangible assets resulting from business combinations excluding goodwill. Clas Ohlson's non-current assets primarily pertain to right-of-use assets for stores, warehouses and offices, but also take the form of vehicles and some IT equipment. Clas Ohlson leases store premises, some warehouse premises, with the majority of the Group's recognised non-current assets attributable to right-of-use assets. Other investments in non-current assets comprise store fittings, IT equipment and vehicles. The amounts of Taxonomy-eligible assets corresponds to the cost of these based on the total acquired non-current assets including right-of-use assets for the current reporting period (see Note 12).

OpEx

Taxonomy-eligible OpEx refers to direct, non-capitalisable, expenses for maintenance of assets, including owned or leased vehicles that could or will be environmentally sustainable. The responsibility for maintenance, renovations and repairs of premises usually lies with the property owner, with the cost of this type of action usually considered to be negligible. Expenses arising in connection with activities that Clas Ohlson carries out in its operations under the framework of the set sustainability strategy are not included in the currently applicable Taxonomy.



Proportion of turnover from products or services associated with economic activities that qualify as environmentally sustainable under the Taxonomy Regulation

TURNOVER																							
Economic activities	Code(s)	Absolute turnover MSEK	Proportion of turnover %	Substantial contribution criteria						DNSH criteria (Do No Significant Harm)						Minimum safeguards Y/N	Taxonomy-aligned proportion of turnover, 2022 %	Taxonomy-aligned proportion of turnover, 2021 %	Category (enabling activity) E	Category (transitional activity) T			
				Climate change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N								
A. ELIGIBLE ACTIVITIES																							
A.1 Eligible Taxonomy-aligned activities																							
Turnover of eligible Taxonomy-aligned activities (A.1)			0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%	N/A	N/A		
A.2 Eligible not Taxonomy-aligned activities																							
Installation, maintenance and repair of charging stations for electric vehicles in buildings		7.4	0.5																				
Turnover of eligible not Taxonomy-aligned activities (A.2)			0.5	0%																			
Total (A.1 + A.2)			0.5	0%																			
B. NON-ELIGIBLE ACTIVITIES																							
Turnover of non-eligible activities (B)			9,024	100%																			
Total (A + B)			9,024	100%																			



Proportion of CapEx from products or services associated with economic activities that qualify as environmentally sustainable under the Taxonomy Regulation

CAPEX																				
Economic activities	Code(s)	Absolute turnover MSEK	Proportion of turnover %	Substantial contribution criteria						DNSH criteria (Do No Significant Harm)						Minimum safeguards Y/N	Taxonomy-aligned proportion of CapEx, 2022 %	Taxonomy-aligned proportion of CapEx, 2021 %	Category (enabling activity) E	Category (transitional activity) T
				Climate change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N					
A. ELIGIBLE ACTIVITIES																				
A.1 Eligible Taxonomy-aligned activities																				
CapEx of eligible Taxonomy-aligned activities (A.1)		0	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
A.2 Eligible not Taxonomy-aligned activities																				
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	5	1%																	
Acquisition and ownership of buildings	7.7	423	77%																	
CapEx of eligible not Taxonomy-aligned activities (A.2)		428	78%																	
Total (A.1 + A.2)		428	78%																	
B. NON-ELIGIBLE ACTIVITIES																				
CapEx of non-eligible activities (B)		124	38%																	
Total (A + B)		552	100%																	



Proportion of OpEx from products or services associated with economic activities that qualify as environmentally sustainable under the Taxonomy Regulation

OPEX																				
Economic activities	Code(s)	Absolute turnover MSEK	Proportion of turnover %	Substantial contribution criteria						DNSH criteria (Do No Significant Harm)						Minimum safeguards Y/N	Taxonomy-aligned proportion of OpEx, 2022 %	Taxonomy-aligned proportion of OpEx, 2021 %	Category (enabling activity) E	"Category (transitional activity)" T
				Climate change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N					
A. ELIGIBLE ACTIVITIES																				
A.1 Eligible Taxonomy-aligned activities																				
OpEx of eligible Taxonomy-aligned activities (A.1)			0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	0%	N/A	N/A
A.2 Eligible not Taxonomy-aligned activities																				
OpEx of eligible not Taxonomy-aligned activities (A.2)		0	0%																	
Total (A.1 + A.2)		0	0%																	
B. NON-ELIGIBLE ACTIVITIES																				
OpEx of non-eligible activities (B)		251	100%																	
Total (A + B)		251	100%																	

GRI Index

For the twelfth consecutive year, Clas Ohlson is reporting its work with sustainability pursuant to the GRI standards. This annual report describes our sustainability areas, as well as relevant goals and key indicators linked to these areas. The company has not currently decided on whether to have its sustainability report externally audited other than the certification provided on the statutory sustainability report under the Swedish Annual

Accounts Act. The GRI index provides references as regards standard disclosures concerning the company and corporate governance, as well as disclosures concerning material aspects of Clas Ohlson. The page references refer to the annual report or the website. With the exception of energy consumption and transportation, all data refers to the 2022/23 financial year. Carbon emissions in this report refer to the 2022 calendar year.

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GRI Standards Index	GRI	Disclosure	Reference
GRI 2 General Disclosures 2021	2-1	Organisational details	Directors' Report p. 14
	2-2	Entities included in the organization's sustainability reporting	Directors' Report p. 17, People p. 90
	2-3	Reporting period, frequency and contact point	GRI Standards Index p. 98
	2-4	Restatements of information	Climate reporting p. 84
	2-5	External assurance	GRI Standards Index p. 98
	2-6	Activities, value chain and other business relationships	Responsibility throughout the value chain p. 78, Ethical business p. 92
	2-7	Employees	Our co-workers as cultural carriers p. 5, People p. 88-90
	2-8	Workers who are not employees	People p. 90
	2-9	Governance structure and composition	Corporate governance p. 26-34
	2-10	Nomination and selection of the highest governance body	Corporate governance p. 26-27
	2-11	Chair of the highest governance body	Corporate governance p. 25 and p. 31
	2-12	Role of the highest governance body in overseeing the management of impacts	Governance for more sustainable home fixing p. 75
	2-13	Delegation of responsibility for managing impacts	Governance for more sustainable home fixing p. 75
	2-14	Role of the highest governance body in sustainability reporting	Governance for more sustainable home fixing p. 75
	2-15	Conflicts of interest	Corporate governance p. 27, Board of Directors p. 31-32
	2-16	Communication of critical concerns	Ethical business p. 92
	2-17	Collective knowledge of the highest governance body	Corporate governance p. 25, 31-32
	2-18	Evaluation of the performance of the highest governance body	Corporate governance p. 26-27
	2-19	Remuneration policies	Directors' Report p. 17-18, Note 6 p. 52-54
	2-20	Process to determine remuneration	Corporate governance p. 28
	2-21	Annual total compensation ratio	Remuneration report
	2-22	Statement on sustainable development strategy	Strategic framework p. 8-10
	2-23	Policy commitments	Corporate governance p. 29, Governance for more sustainable home fixing p. 75
	2-24	Embedding policy commitments	Corporate governance p. 26-30, Governance for more sustainable home fixing p. 75, Ethical business p. 92
	2-25	Processes to remediate negative impacts	Risk p. 20-24, Safe and sustainable products p. 79, People p. 90
	2-26	Mechanisms for seeking advice and raising concerns	Ethical business p. 92
	2-27	Compliance with laws and regulations	Risk p. 22, Corporate governance p. 26, Society p. 91-93
	2-28	Membership associations	Society p. 91
	2-29	Approach to stakeholder engagement	Stakeholder dialogue p. 76
	2-30	Collective bargaining agreements	The labour-law principles of each market are applied. 99 per cent of personnel work in Sweden, Norway and Finland.

GRI Standards Index	GRI	Disclosure	Reference
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Stakeholder dialogue p. 76, Materiality analysis p. 77
	3-2	List of material topics	Stakeholder dialogue p. 76, Materiality analysis p. 77
GRI 201: Economic Performance 2016	3-3	Management of material topics	Corporate governance p. 26-30
	201-1	Direct economic value generated and distributed	Stakeholder dialogue p. 76
	203-2	Significant indirect economic impacts	Stakeholder dialogue p. 76, Materiality analysis p. 77
GRI 205: Anti-corruption 2016	3-3	Management of material topics	Corporate governance p. 26-30, Governance for more sustainable home fixing p. 75
	205-2	Communication and training about anti-corruption policies and procedures	Governance for more sustainable home fixing p. 75, Ethical business p. 92
GRI 302: Energy 2016	3-3	Management of material topics	Planet p. 80-86
	302-2	Energy consumption outside of the organization	Climate reporting p. 84-86
GRI 305: Emissions 2016	3-3	Management of material topics	Planet p. 80-86
	305-1-3	Direct, energy indirect and other indirect (Scope 1, 2, 3) GHG emissions	Climate reporting p. 84-86
	305-5	Reduction of GHG emissions	Climate reporting p. 84-86
GRI 308: Supplier Environmental Assessment 2016	3-3	Management of material topics	Governance for more sustainable home fixing p. 75
	308-1	New suppliers that were screened using environmental criteria	Safe and sustainable products p. 79
	308-2	Negative environmental impacts in the supply chain and actions taken	Responsibility throughout the value chain p. 78, Planet p. 80-86
GRI 401: Employment 2016	3-3	Management of material topics	People p. 88-90
	401-1	New employee hires and employee turnover	People p. 90
GRI 403: Occupational Health and Safety 2018	3-3	Management of material topics	People p. 88-90
	405-1	Diversity of governance bodies and employees	Sustainability targets and outcome p. 12, Corporate governance p. 27, People p. 90
GRI 406: Non-discrimination 2016	3-3	Management of material topics	Corporate governance p. 29, Governance for more sustainable home fixing p. 75, People p. 88-90
	406-1	Incidents of discrimination and corrective actions taken	No cases during the financial year.
GRI 414: Supplier Social Assessment 2016	3-3	Management of material topics	Governance for more sustainable home fixing p. 75, Responsibility throughout the value chain p. 78, Ethical business p. 92
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Ethical business p. 92

GRI Standards Index	GRI	Disclosure	Reference
GRI 407: Freedom of Association and Collective Bargaining 2016	3-3	Management of material topics	Governance for more sustainable home fixing p. 75, Society p. 91-93
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Ethical business p. 92
GRI 408: Child Labor 2016	3-3	Management of material topics	Governance for more sustainable home fixing p. 75, Society p. 91-93
	408-1	Operations and suppliers at significant risk for incidents of child labor	Ethical business p. 92**
GRI 409: Forced or Compulsory Labour 2016	3-3	Management of material topics	Governance for more sustainable home fixing p. 75, Society p. 91-93
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Ethical business p. 92*
GRI 412: Human Rights Assessment 2016	3-3	Management of material topics	Governance for more sustainable home fixing p. 75, Ethical business p. 92
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Ethical business p. 92**
GRI 414: Supplier Social Assessment 2016	3-3	Management of material topics	Governance for more sustainable home fixing p. 75, Responsibility throughout the value chain p. 78, Ethical business p. 92
	414-1	New suppliers that were screened using social criteria	Responsibility throughout the value chain p. 78, Ethical business p. 92
	414-2	Negative social impacts in the supply chain and actions taken	Responsibility throughout the value chain p. 78, Ethical business p. 92
GRI 416: Customer Health and Safety 2016	3-3	Management of material topics	Responsibility throughout the value chain p. 78, Safe and sustainable products p. 79***
GRI 418: Customer privacy	3-3	Management of material topics	Governance for more sustainable home fixing p. 75***

* This indicator tracks non-compliances based on supplier audits, where there is a higher risk for deviations in regard to freedom of association.

** 100 per cent of new suppliers are evaluated on their performance against our Code of Conduct criteria.

*** Although this topic is considered material for Clas Ohlson, the associated GRI indicator is not relevant for measuring our impact. Clas Ohlson has continued its process of defining a relevant indicator.

Store overview

Clas Ohlson's store network as of 30 April 2023

SWEDEN				NORWAY				FINLAND	
Store	Opening date	Store	Opening date	Store	Opening date	Store	Opening date	Store	Opening date
A Alingsås, Vimpeln	27 Mar 2014	S Skellefteå, Citykompaniet	17 Mar 2005	A Alta, Amfi	17 Nov 2011	O Orkanger, Amfi	30 Oct 2014	E Espoo, Ainoa	16 Mar 2017
B Borlänge, Norra Backa	26 Sep 2013	Skövde, Eliens Esplanad	27 Nov 2008	Arendal, Alti	28 Nov 2007	Oslo, Alna Senter	27 Sep 2006	Espoo, Iso Omena	14 Oct 2015
Borås, Knalleland	24 Oct 2002	Stockholm, Barkarby Gate	27 Nov 2014	Oslo, Bogstadveien	16 Oct 2008	Oslo, Bogstadveien	27 Oct 2011	Espoo, Pikkulaiva	8 Nov 2012
E Eskilstuna, Cityhuset	30 May 2002	Stockholm, Bromma Blocks	23 Sep 2010	Oslo, Bryn Senter	11 Oct 2017	Oslo, Bryn Senter	26 Aug 2010	Espoo, Sello	14 Sep 2005
F Falun, Falan Gallerian	5 Feb 2009	Stockholm, Drottninggatan	21 Oct 2010	Oslo, CC Vest	30 Nov 2017	Oslo, CC Vest	11 Sep 2014	H Helsinki, Itis	6 Nov 2003
G Gothenburg, Bäckebo Köpcenter	10 Apr 2003	Stockholm, Farsta Centrum	18 Nov 1999	Bergen, Lagunen	6 Mar 2003	Oslo, City	11 Nov 2005	Helsinki, Kaari	17 Oct 2013
Gothenburg, Frölunda Torg	23 Oct 2009	Stockholm, Fältöversten Köpcentrum	11 Sep 2019	Bergen, Sartor Storsenter	16 Feb 2006	Oslo, Holmlia Senter	12 Nov 2021	Helsinki, Kaivotalo	3 Nov 2016
Gothenburg, Mölndal Galleria	27 Sep 2018	Stockholm, Gallerian	30 Jun 1989	Bergen, Storsenter	22 Apr 1999	Oslo, Lambertseter Senter	12 Oct 2010	Helsinki, Kamppi	2 Mar 2006
Gothenburg, Nordstan	1 Jun 1992	Stockholm, Haninge Centrum	10 Dec 2004	Bergen, Vestkanten Storsenter	22 Nov 2012	Oslo, Storo Storsenter	19 Jun 2008	Helsinki, Mall of Tripla	17 Oct 2019
Gothenburg, Partille Allum	9 Apr 2006	Stockholm, Hornstull	27 Oct 2016	Bergen, Åsane Horisont	30 Sep 2004	Oslo, Stovner Senter	6 Oct 2016	Helsinki, Redi	20 Sep 2018
Gothenburg, Sisjö Shopping	19 Apr 2012	Stockholm, Kista Galleria	5 Dec 2002	Bodø, City Nord	7 Jun 2011	Oslo, Torggata	26 Aug 1991	Hyvinkää, Willa	18 Oct 2012
Gävle, Gallerian Nian	27 Nov 2003	Stockholm, Kungens Kurva	24 Apr 2014	Bodø, Koch Kjøpesenter	1 Feb 2018	Oslo, Tveita Senter	27 May 2021	Hämeenlinna, Goodman	30 Oct 2014
H Halmstad, City	8 Mar 2001	Stockholm, Liljeholmstorget Galleria	15 Oct 2010	Bryne, M44	5 Nov 2009	P Porsgrunn, Down Town	27 Apr 2006	J Jyväskylä, Seppä Shopping Centrér	30 Apr 2020
Halmstad, Flygstaden	16 Jun 2011	Stockholm, Mall of Scandinavia	12 Nov 2015	D Drammen, Buskerud	8 Sep 2011	S Sandefjord, Hegnasletta	10 Sep 2015	Jyväskylä, Sokkari	10 Nov 2016
Helsingborg, Väla Centrum	12 Jun 2003	Stockholm, Märsta Centrum	26 Apr 2018	Drammen, Gulskogen	18 Sep 2008	Sandnes, Kvadrat	23 Sep 1998	K Kokkola, Kallentori	27 Sep 2007
Hudiksvall, Fyren Gallerian	23 Apr 2009	Stockholm, Nacka Forum	29 Mar 2007	E Elverum, Amfi	18 Nov 2021	Sandnes, Maxi	26 May 2016	Kotka, Pasaati	23 May 2013
I Insjön, Hjultorget	27 Jun 1918	Stockholm, Ringen Centrum	18 Oct 2018	F Farsund, Amfi	1 Jun 2017	Sandvika, Storsenter	10 Jan 2002	Kouvola, Veturi	13 Sep 2012
J Jönköping, Asecs (A6) Center	22 May 2003	Stockholm, Sickla Köp kvarter	6 Dec 2007	Fauske, Amfi	30 Sep 2021	Sarpsborg, Amfi Borg	5 Nov 2020	Kuopio, Haapaniemenkatu	24 Feb 2005
Jönköping, City	9 Dec 2010	Stockholm, Sollentuna Centrum	31 May 2007	Finnsnes, Amfi	9 Jun 2016	Ski, Storsenter	16 Oct 2003	Kuopio, Matkus Shopping Center	1 Nov 2012
K Kalmar, Baronen Köpcenter	24 Nov 2005	Stockholm, Solna Centrum	7 Apr 2005	Fredrikstad, Torvbyen	1 Dec 2005	Skien, Herkules	18 Oct 2007	L Lahti, Karisma	3 Nov 2011
Kalmar, Hansa City Modehuset	14 Mar 2013	Stockholm, Tyresö Centrum	3 May 2018	Fredrikstad, Østfoldhallen	25 Mar 2021	Slependen, Senter	18 Sep 2014	Lahti, Syke	31 May 2012
Karlskrona, Lyckeby Shopping Center	27 Nov 2014	Stockholm, Täby Centrum	25 Oct 2001	Førde, Alti	22 Nov 2012	Sogndal, Amfi Sogningen	6 Jun 2013	Lappeenranta, IsoKristiina	1 Nov 2007
Karlstad, Bergvik Köpcenter	20 Aug 2015	Stockholm, Vällingby Centrum	15 Nov 2007	G Gjøvik, CC Kjøpesenter	10 Mar 2006	Sortland, Handelsparken	24 May 2018	Lempäälä, Ideapark	29 Nov 2007
Karlstad, Mitt i City Gallerian	21 Sep 2006	Stockholm, Värmdö Köpcentrum	17 Jun 2015	H Halden, Walkers Gate 12	12 Mar 2015	Stathelle, Alti Brotorvet	23 Nov 2017	M Mariehamn, Maxinge Center	16 May 2013
Kiruna, Österleden	11 Nov 2010	Stockholm, Väsby Centrum	27 Apr 2007	Hamar, CC Stadion	11 Nov 2014	Stavanger, Kilden	25 Oct 2007	O Oulu, Valkea	25 Nov 2010
Kristianstad, C4	22 Nov 2018	Strömstad, Nordby Shoppingcenter	29 May 2009	Harstad, Kanebogen	6 Apr 2017	Stavanger, Madla	8 Nov 2007	P Pori, Puuvilla	30 Oct 2014
Kristianstad, Galleria Boulevard	18 Apr 2007	Sundsvall, Birsta	30 Apr 2008	Haugesund, Oasen	3 Oct 2002	Stavanger, Mediegården	11 Nov 2010	Porvoo, Lundi	21 Apr 2020
Kungsbacka, Kungsmässan	13 Mar 2008	Södertälje, Lunagallerian	29 Apr 2010	Horten, Sjøsiden	9 Jun 2011	Steinkjer, Amfi	15 Oct 2009	R Raisio, Mylly	4 Nov 2015
Kungälv, Kongahälla Center	28 Mar 2019	T Trelleborg, Valengallerian	25 Apr 2007	Husnes, Storsenter	8 Mar 2018	Stjørdal, Torgkvartalet	2 Nov 2017	Rovaniemi, Rinteenkulma	23 Oct 2008
L Lidköping, Ånghagens Handelsplats	25 Apr 2012	Trollhättan, Överby Köpcenter, Södra	28 Jun 2012	Hønefoss, Kuben	19 Feb 2009	Stord, Heiane Storsenter	20 Jun 2013	S Seinäjoki, Ideapark	14 Nov 2019
Linköping, Tornby I-huset	17 Nov 2022	U Uddevalla, Torp Köpcentrum	5 Nov 2020	J Jessheim, Storsenter	5 Nov 2008	Strømmen, Storsenter	21 Oct 1999	T Tampere, Ratina	19 Apr 2018
Linköping, Åhlenshuset	10 Jun 2004	Umeå, Avion Shopping	17 Mar 2016	K Kongsberg, Stortorvet	3 Jun 2010	Svolvær, Alti	8 Dec 2016	Turku, Hansa	3 Mar 2005
Luleå, Smedjan Gallerian	21 Mar 2002	Umeå, MVG Gallerian	13 Apr 2000	Kongsvinger, Kongscenteret	24 May 2012	T Tromsø, Jekta	12 Jun 2008	Turku, Skanssi	25 Oct 2012
Luleå, Storheden	16 Feb 2012	Uppsala, Gränbystaden	25 Aug 2011	Kristiansand, Sandens	6 Nov 2008	Trondheim, City Lade	12 Oct 2017	V Vaasa, Klemettilä	6 Oct 2022
Lund, Nova Lund	7 Nov 2013	Uppsala, S:t Per Gallerian	16 Nov 2000	Kristiansand, Sørlandssenteret	19 Nov 1998	Trondheim, City Syd	8 May 2003	Vaasa, Rewell Center	14 Oct 2004
Löddeköpinge, Galleria Center Syd	26 Nov 2015	V Valbo, Valbo Köpcentrum	23 Feb 2012	Kristiansund, Alti Futura	24 Mar 2011	Trondheim, Sirkus Shopping	13 Aug 2020	Vantaa, Jumbo	27 Oct 2005
M Malmö, Emporia	25 Oct 2012	Varberg, Gallerian Varberg	28 Sep 2017	L Larvik, Nordbyen	23 Apr 2009	Trondheim, Solsiden	19 Oct 2000	Vantaa, Myyrmanni	29 Nov 2011
Malmö, Gustaf Adolfs Torg	8 Apr 2021	Visby, Österväg	17 Apr 2008	Leira, Amfi	26 Oct 2017	Trondheim, Torg	17 Feb 2011		
Malmö, Mobilia	26 Sep 2013	Västervik, Ljungheden	6 Dec 2012	Levanger, Magneten Kjøpesenter	5 Jun 2014	Tønsberg, Farmandstredet	21 Sep 2001		
Malmö, Triangeln	3 Dec 1993	Västerås, Erikslund Shopping Center	22 Sep 2011	Lillehammer, Strandtorget	18 Nov 2010	V Vestby, Storsenter	14 Mar 2013		
N Norrköping, Galleria Domino	2 May 1996	Västerås, Kvarteret Igor	22 Nov 2001	Lillestrøm, Torv	23 Apr 2009	Vinstra, Vinstragata 93	16 Feb 2017		
Norrköping, Ingelsta Shopping	25 Feb 2021	Växjö, Grand Samarkand	6 May 2004	Ljørenskog, Triaden	30 Nov 2006	Vinterbro, Senter	26 Mar 2015		
Norrköping, Mirum Gallerian	10 Dec 2009	Å Ängelholm, Brännborn Center	23 Mar 2017	M Mandal, Alti	20 Nov 2014	Voss, Handelshus	16 Jun 2016		
Norrträlje, Flygfyrn	14 Jun 2012	Ö Örebro, Krämaren	27 Nov 1997	Mo i Rana, Søndre Gate 2	7 Jun 2012	Å Ålesund, Amfi Moa	22 Jan 2004		
Nyköping, Västerport	17 Sep 2020	Ö Örebro, Marieberg Galleria	26 Mar 2009	Moss, Amfi	22 Oct 2009	Ø Ørsta, Alti	4 Oct 2012		
P Piteå, Gallerian Piteå	20 Sep 2007	Örnsköldsvik, Galleria Magasinet	12 Apr 2007	N Narvik, Storsenter	12 Oct 2006				
		Östersund, Mittpunkten	28 Apr 2005						

Clas Ohlson's broad and affordable product range is also available online in the Swedish, Norwegian and Finnish markets.

www.clasohlson.se
www.clasohlson.no
www.clasohlson.fi

The share and shareholders

Clas Ohlson's series B shares have been listed on Nasdaq Stockholm since 1999. The share is included in the Consumer Services sector index.

Share trend and sales

The Clas Ohlson share price declined by 31.0 per cent to 77.30 SEK (112.10) compared with the year-earlier period, while OMX SIX increased by 1.5 per cent. The highest price paid was 126.8 SEK, quoted in May 2022, while the lowest price paid was 64.6 SEK, quoted in September 2022. Total market capitalisation amounted to 4,897 MSEK, calculated on the most recent share price of 77.30 SEK on 28 April 2023.

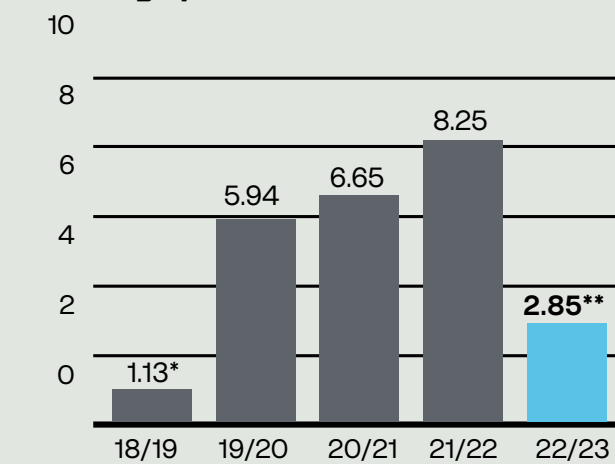
During the 2022/23 financial year, 54,073,551 Clas Ohlson shares were traded, representing a turnover rate of 82 per cent.

Dividend policy and dividend

Clas Ohlson's dividend policy is that the dividend is to comprise at least 50 per cent of earnings per share after tax, with consideration of the company's financial position.

The Board of Directors proposes that a dividend of SEK 1.50 per share be paid for the 2022/23 financial year. It is proposed that payment be made in September 2023. The total dividend for the 2021/22 financial year, including an extra dividend of 6.25 SEK per share, amounted to 13.00 SEK per share. The proposed dividend amounts to a total of 98 MSEK (853), representing 54 per cent (163) of the financial year's profit after tax.

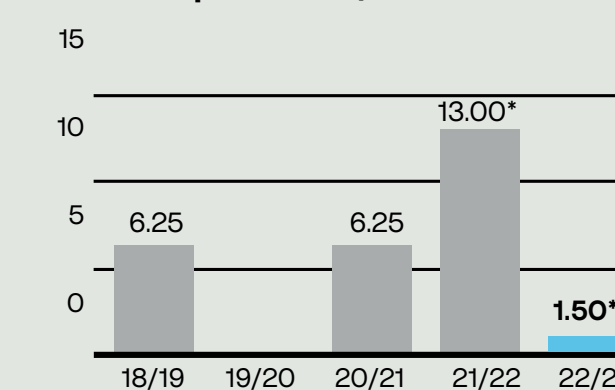
Earnings per share, SEK



*Including non-recurring costs related to the CO100+ action programme and implementation of the sCORE business system as well as costs for the closure of the store network in the UK and Germany.

**Including non-recurring costs related to the closure of the operations in the UK, disposal of IT systems and organisational changes.

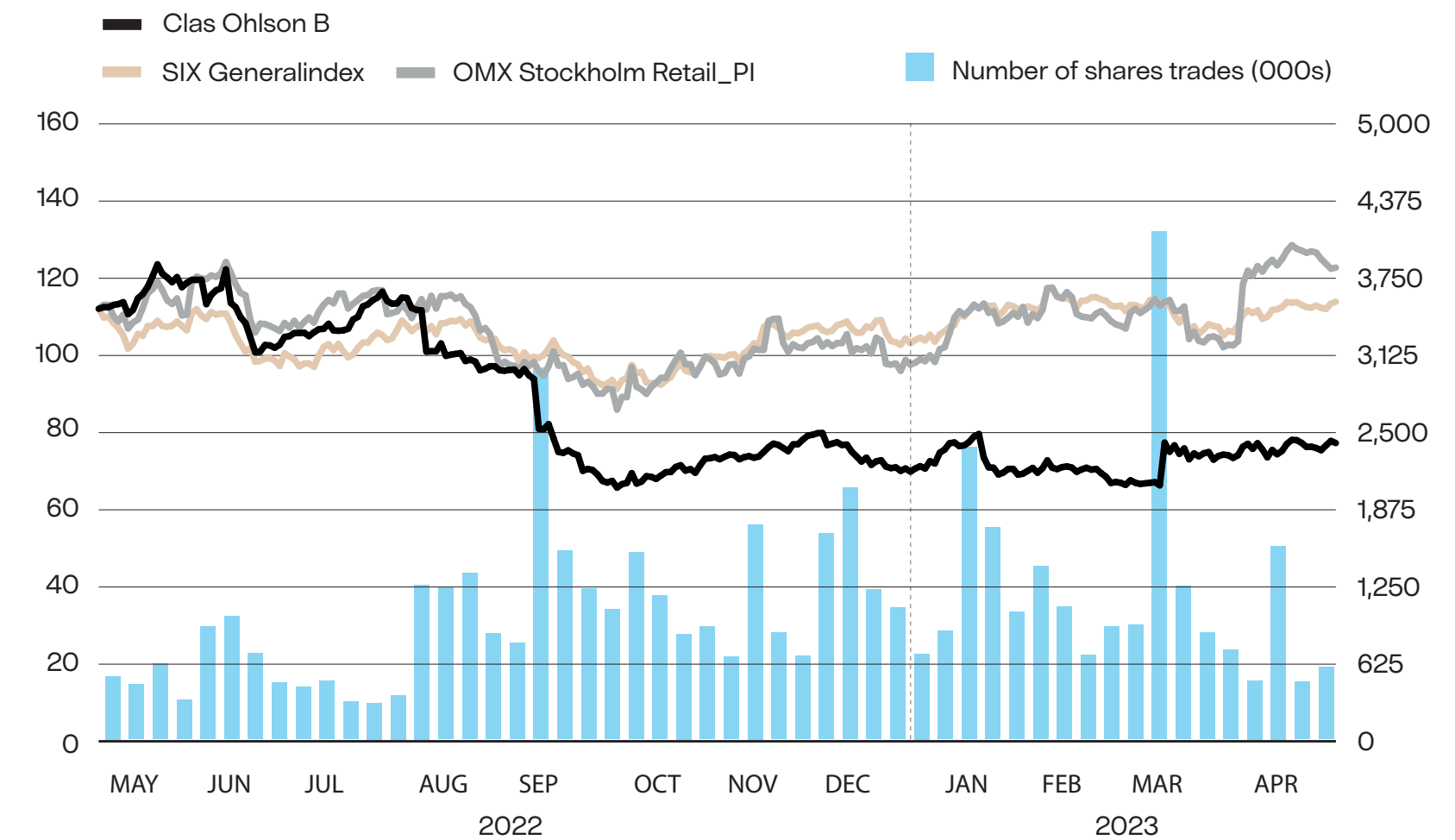
Dividend per share, SEK



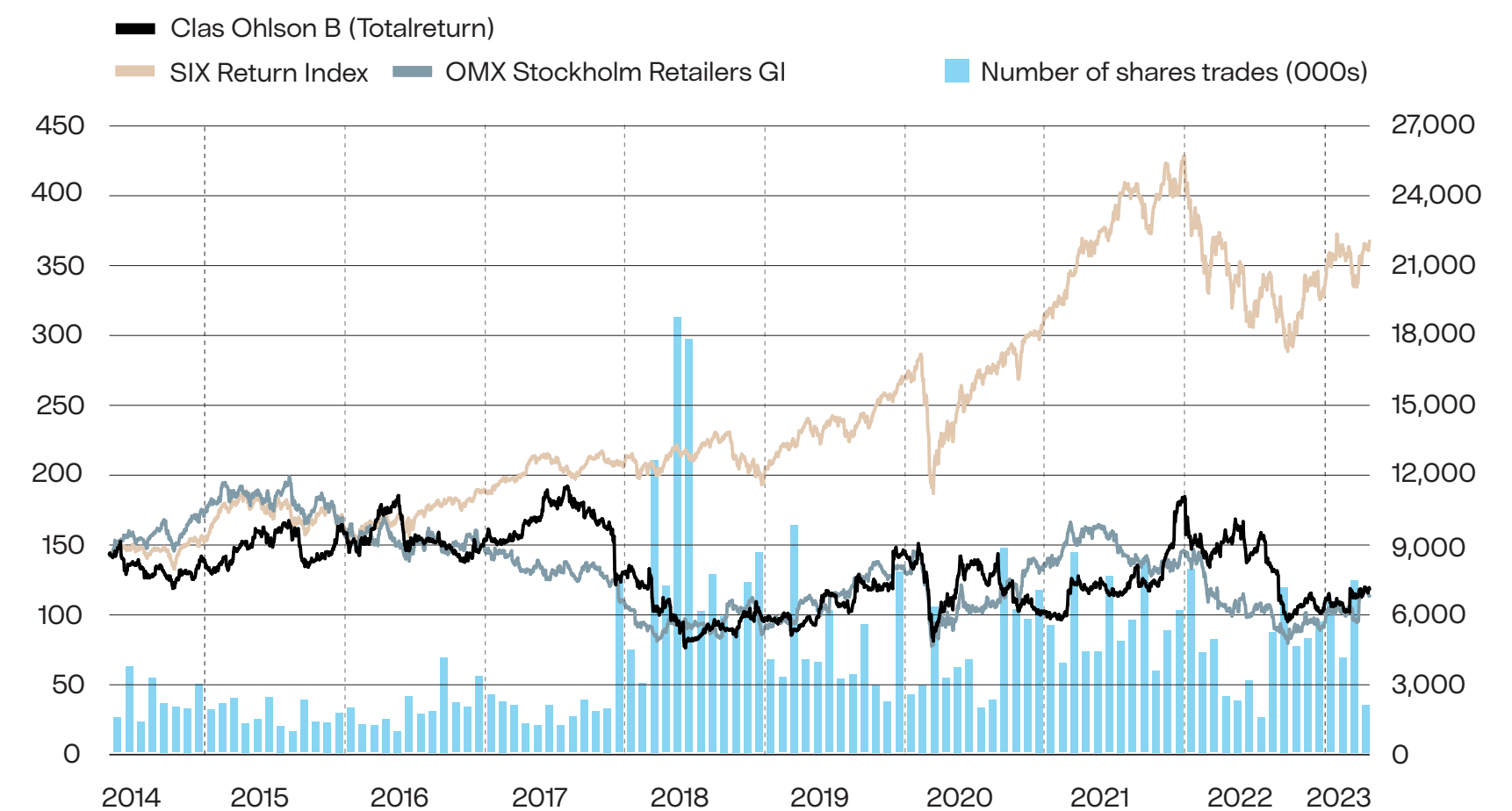
* 6.75 dividend + 6.25 extra dividend

** Proposed dividend

The Clas Ohlson share price and turnover trend 2022/23



Source: Refinitiv



Source: Refinitiv

Trend in share capital

Year	Transaction	Additional shares	Accumulated number of shares	Total share capital
1994			48,000	4,800,000
1999	Split 10:1	432,000	480,000	4,800,000
1999	Bonus issue	6,720,000	7,200,000	72,000,000
1999	Share issue	1,000,000	8,200,000	82,000,000
2001	Split 4:1	24,600,000	32,800,000	82,000,000
2004	Split 2:1	32,800,000	65,600,000	82,000,000

Major shareholders¹

Shareholders	Number of series A shares	Number of series B shares	Percentage of capital	Percentage of votes
Haid family ²	3,023,880	12,029,103	23.0%	36.0%
Tidstrand family ²	2,736,120	7,079,828	15.0%	29.3%
Nordea Fonder	0	5,283,178	8.1%	4.5%
If Skadeförsäkring AB	0	2,427,530	3.7%	2.1%
Vanguard	0	1,374,545	2.1%	1.2%
Norges Bank	0	957,145	1.5%	0.8%
Dimensional Fund Advisors	0	871,728	1.3%	0.7%
SHB Fonder & Liv	0	754,182	1.2%	0.6%
Fidelity International	0	728,173	1.1%	0.6%
BlackRock	0	642,056	1.0%	0.6%
Avanza Pension	0	624,638	1.0%	0.5%
Acadian Asset Management	0	596,749	0.9%	0.5%
SEB Fonder & Liv	0	435,726	0.7%	0.4%
American Century Investment Management	0	428,668	0.7%	0.4%
WisdomTree Asset Management	0	367,240	0.6%	0.3%
Total 15 largest	5,760,000	34,600,489	61.5%	78.5%
Other	0	25,239,511	38.5%	21.5%
Total	5,760,000	59,840,000	100.0%	100.0%
Shares owned by Clas Ohlson	0	2,243,435	3.4%	1.9%

Shareholder categories¹

Shareholders	Number of series A shares ²	Number of series B shares	Percentage of capital
Swedish private shareholders	4,248,060	29,369,789	51.2%
Swedish institutions		8,070,837	12.3%
Non-Swedish shareholders	1,511,940	20,155,939	33.0%
Shares owned by Clas Ohlson		2,243,435	3.4%
	5,760,000	59,840,000	100.0%

Shareholding structure¹

Size interval	Number of shares	Percentage of capital	Number of known shareholders
1-500	4,336,140	6.6%	39,649
501-1000	3,408,503	5.2%	4,248
1,001-5,000	5,846,735	8.9%	2,752
5,001-10,000	1,940,257	3.0%	262
10,001-20,000	1,367,886	2.1%	97
20,001-	48,700,479	74.3%	101
Total	65,600,000	100.0%	47,109

¹As of 30 Apr 2023 (Source Modular Finance)²All series A shares were held by descendants of Clas Ohlson

Share capital

The share capital in Clas Ohlson at the end of the financial year totalled 82 MSEK, comprising 5,760,000 series A shares and 59,840,000 series B shares, each with a quotient value of 1.25. Each series A share carries ten votes, while each series B share carries one vote. All shares carry equal rights to payment of dividends. Holders of series A shares can request that their A shares be converted to series B shares.

Shareholding structure

On 30 April 2023, the company had a total of 47,109 shareholders (40,437). Non-Swedish owners accounted for 33 per cent (39) of the capital. The Swedish ownership is dominated by private individuals, owning 51 per cent (50) of the capital, while institutions own 12 per cent (11).

Treasury shares

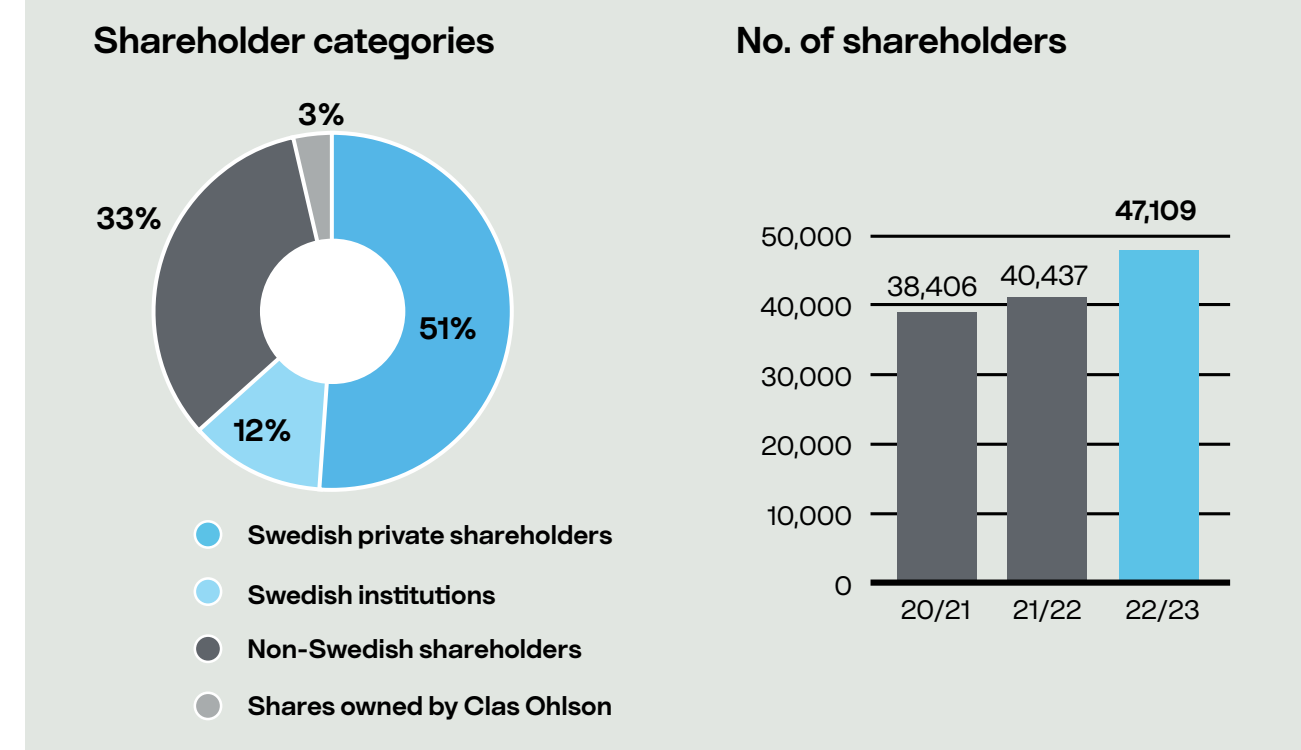
The number of registered shares amounted to 65,600,000, of which 2,243,435 (2,243,435) were held by the company at the end of the financial year. At the end of the period, the number of shares outstanding, net after buyback, was 63,356,565 (63,356,565).

Share data

Listing: Nasdaq Stockholm OMX Mid Cap
 Ticker: Clas B
 Industry: Consumer Services
 ISIN: SE0000584948

Data per share¹

	2022/23	2021/22	2020/21	2019/20	2018/19
Average number of shares before dilution, million	63.4	63.4	63.3	63.3	63.2
Earnings per share before dilution, SEK	2.85	8.25	6.65	5.94	1.13
Comprehensive income per share, SEK	0.60	6.71	6.82	5.66	1.26
Equity per share, SEK	22.69	35.07	34.65	27.84	30.80
Share price at 30 April, SEK	77.3	112.1	90.7	85.6	78.8
Dividend per share, SEK	1.50 ³	13.00	6.25	-	6.25
P/E ratio, multiple	27	14	14	14	70
Dividend yield, %	1.9	11.6	6.9	-	7.9
Payout ratio, %	52.6	157.6	94.0	-	553.1
Total return, %	-19.4	30.6	6.0	16.5	-11.4

¹ See key ratio definitions on pages 68-69.² From operating activities.³ Proposed dividend

Annual General Meeting

Annual General Meeting

The AGM of shareholders of Clas Ohlson AB will be held on Friday, 8 September 11:00 a.m. in Tegera Arena, Lek-sand, Sweden. The AGM venue will open for registration at 09:45 a.m. Further information will be provided in the notice of the AGM. For more information, refer to <https://about.clasohlson.com/en/investors/general-meeting/annual-general-meeting-2023/>

Notification of Annual General Meeting

Notification of the AGM takes place through an announcement in Post- och Inrikes Tidningar and the notice being made available on the company's website. Documents to be presented at the AGM are available from the company's website about four weeks before the meeting.

Dividend proposal

The Board of Directors proposes that a dividend of 1.50 SEK per share be paid for the 2022/23 financial year. It is proposed that payment be made in September 2023. The proposed dividend totals 98 MSEK, which represents 54 per cent of profit after tax for the financial year.

Distribution policy for annual report

This year's annual report is digital. A limited number of physical copies will be available for distributed to those shareholders who request it. The Annual Report is distributed about four weeks prior to the Annual General Meeting.

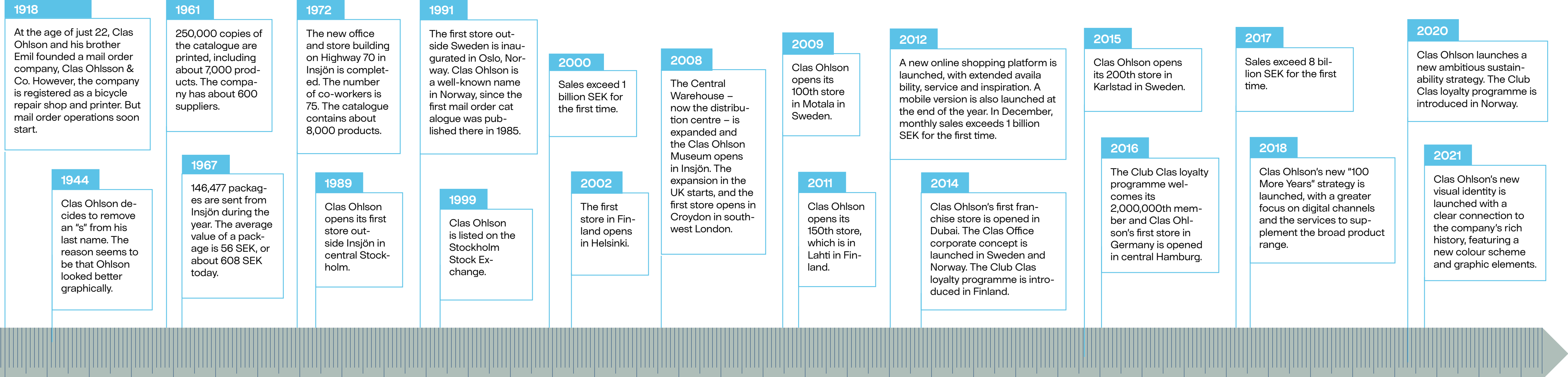
The Clas Ohlson Annual Report and other financial information are available at about.clasohlson.com.

FINANCIAL INFORMATION

- Three-month Report 2023/24, 6 September 2023
- Six-month Report 2023/24, 6 December 2023
- Nine-month Report 2023/24, 6 March 2024
- Year-end Report 2023/24, 5 June 2024
- Three-month Report 2024/25, 4 September 2024
- Six-month Report 2024/25, 4 December 2024



History



1985

Sales of 100 MSEK

The company's sales exceed 100 MSEK for the first time. During the year, a subsidiary is opened in Norway when mail order sales are established in the country.



1995

New central warehouse

A new central warehouse in Insjön opens. At its opening, the warehouse encompasses 11,000 square metres with a ceiling height of 9 metres.



2013

Club Clas arrives

The Club Clas loyalty programme is launched in March. In its first year, the loyalty programme attracts more than one million members.



2018

100th anniversary

Unique customer offers, a look back at some historic moments and a festival for all of our co-workers are just a few examples of how the event was celebrated.



2022

Updated strategy for sustainable and profitable growth

Based on the company's strengths and the five key categories of the product range, Clas Ohlson will achieve the position of customers' first choice for home fixing in Sweden, Norway and Finland."



**Clas
Ohlson**

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