

20/21

Annual and Sustainability Report

Fall in love with your home again



clas
ohlson



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Clas Ohlson 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 SEK 000. Unless otherwise specified, figures in parenthesis pertain to 2019/20. 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 report

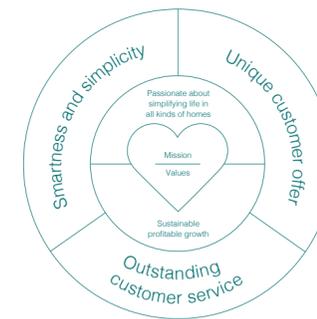
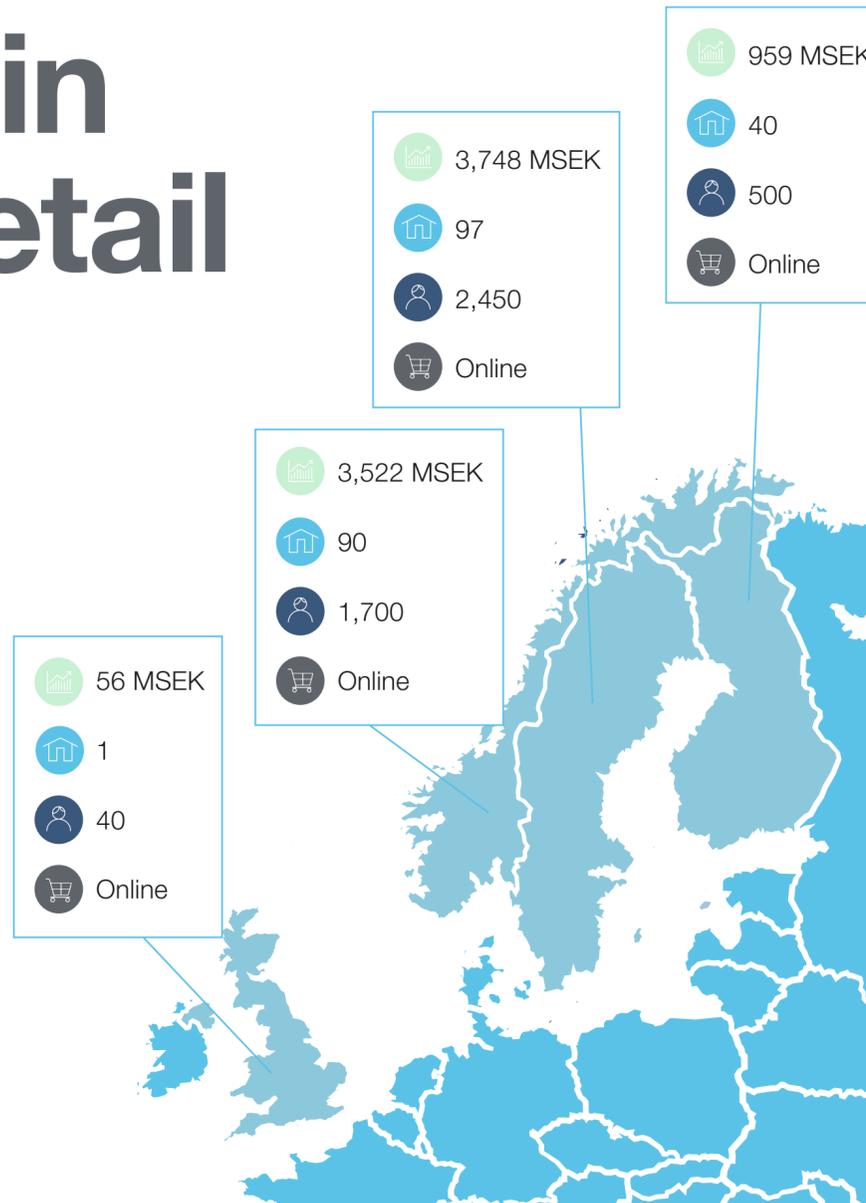
Clas Ohlson presents financial and non-financial information integrated in a single report. The report includes standard and specific disclosures based on the GRI Standards guidelines. The scope of the statutory sustainability report is stated on page 97. The statutory annual report encompasses the Directors' Report and the financial statements on pages 35-84. Produced by Clas Ohlson AB in cooperation with Fotografisk Form & Kommunikation. Photo: Clas Ohlson, Gustav Kaiser, Gaute Freng, Morten Rakke.

CLAS OHLSON IN BRIEF

Unique position in Nordic retail

Clas Ohlson was founded in 1918 in Insjön, Dalarna, Sweden. Today, we are a retail company with customers in four markets, approximately 4,500 co-workers, and sales of approximately 8.3 billion SEK. Our share is 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 and inspire people to improve their everyday lives by offering smart, simple, practical solutions at attractive prices. Read more about us and our passion about simplifying life in all kinds of homes at about.clasohlson.com.



Strategy for sustainable, profitable growth
 With our relevant offerings and a loyal customer base as our strengths, we will play a greater and more important role in every home and grow profitability in the Nordic market. We do this by providing a unique customer offer, outstanding customer service and by conducting operations in a smart and simple manner.

A sustainable life in all kinds of homes
 We simplify and enable a sustainable life in all kinds of homes by helping our customers with sustainable products and services. Our customers and co-workers must be confident that the products and services that we sell are safe to use, were produced under decent working conditions and have as low environmental and climate impact as possible.

Relevant and affordable products
 We offer products that make everyday life easy, with high demands placed on function, price, quality, product safety and sustainability. With around 15,000 products and some 1,000 spare parts, we have everything you need to maintain your home and garden, fix up your home office or just take it easy.



The Clas Ohlson spirit
 Our co-workers are all unique, but they have one thing in common: the Clas Ohlson spirit. All of our co-workers and customers are to feel welcome and appreciated. Each co-worker brings their unique background and experience to make everyday life a little easier and smarter, always with a focus on the customer.

The customer's best interests in focus
 Customer needs govern the offering in our approximately 230 stores. Our most popular store – our online store – features our entire offering of products and spare parts and is open 24 hours a day, with delivery available to stores, the home or parcel depots. Our customer Care centre responds quickly to most questions via phone, chat or e-mail.

OPERATIONS/FINANCIALS

Reflecting on a unique year

As we reflect on an eventful and unique year, we can state that we have demonstrated the ability to quickly tackle changes and with our drive we have developed the business for the future. The home has never been as important as during the pandemic, and by focusing on a unique customer offer and outstanding customer service, we can see fantastic potential for creating even greater customer value moving forward.

- 2020 began with restrictions and adjustments in the form of new routines and safety measures in all of our markets.
- We extended our opening hours and introduced separate opening hours for customers in risk groups.
- We adapted all of our stores to enable our customers to collect their orders from any store and also outside of most stores.
- We are working continuously to optimise the store network. During the 2020/21 financial year, we opened six new stores, relocated three and closed six stores.
- We can also offer customers yet another delivery option with a new partnership with Instabox. In addition, we increased sales with our partners Mathem in Sweden and Oda in Norway, and expanded our partnership with Wolt in Finland to include more cities.
- We implemented a new automatic order placement system for all of our stores.
- Our distribution centre replaced its inventory control system and we also further automated the management of online shopping orders.
- A new and more ambitious sustainability strategy was launched during the year, including the overall target of becoming climate neutral and fully circular by 2045.
- In September, Clas Ohlson won the accolades of Retail Chain Of The Year and Omni-Experience Of The Year in Sweden at the Retail Awards.
- The Club Clas loyalty programme was launched in Norway and attracted 200,000 new members during the first two weeks.
- A new purchase office in Poland was opened to provide us with more and closer supply chain options and we established an additional purchase office in Vietnam in the spring.
- In December 2020, Lotta Lyrå stepped down as President and CEO and was succeeded in February 2021 by Kristofer Tonström.

5 selected key ratios

- Operating margin 6.5%* in line with our target of 6-8%
- The gross margin increased by 0.7 of a percentage point to 40.5%
- Solid financial position – net debt/EBITDA -0.7 multiple*
- Earnings per share amounted to 6.65 SEK
- The equity/assets ratio was 55.2%*

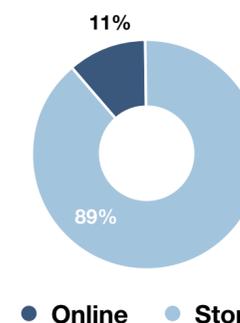
* excl. IFRS 16



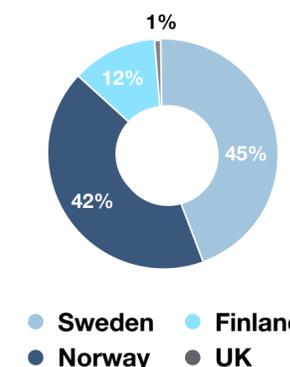
Key ratios

	2020/21	2019/20
Sales, MSEK	8,284	8,758
Operating profit, MSEK	608	549
Operating profit, excl. IFRS 16, MSEK	538	454
Profit after tax, MSEK	421	376
Gross margin, %	40.5	39.8
Operating margin, %	7.3	6.3
Operating margin, excl. IFRS 16, %	6.5	5.2
Cash flow from operating activities, MSEK	1,288	1,284
Equity/assets ratio, %	35.8	30.5
Equity/assets ratio, excl. IFRS 16, %	55.2	51.0
Net debt/EBITDA, multiple	1.1	1.8
Net debt/EBITDA, excl. IFRS 16, multiple	-0.7	0.0
Earnings per share before dilution, SEK	6.65	5.94

Sales in stores/online



Net sales per country



OPERATIONS/SOCIETY

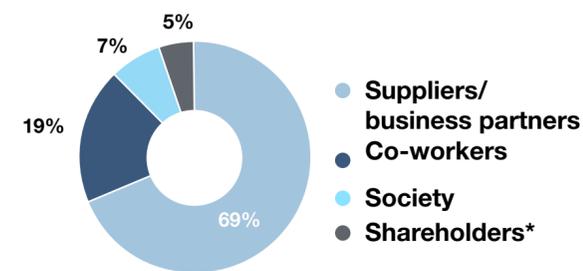


Clas Ohlson is one of the best companies on the Stockholm Stock Exchange in terms of gender equality, according to the Allbright Foundation.



The 2021 Sustainable Brand Index revealed that Clas Ohlson is perceived to be the best at sustainability among companies in the leisure and home electronics sector in Sweden, and was second best in the same category in Norway.

Economic value by stakeholder group 2020/21



Of the value generated in the 2020/21 financial year, suppliers and partners received a total of 5,722 MSEK. Salaries and other remuneration to co-workers amounted to 1,595 MSEK.

* Proposed dividend 2020/21.

Key ratios

	2020/21	2019/20
Products for a more sustainable lifestyle, share of sales	23%	21%
Share of suppliers meeting the requirements in the Code of Conduct	99%	98%
Employee attendance	94%	94%
CO ₂ emissions from transportation in relation to sales	1.10 g CO ₂ /SEK	1.56 g CO ₂ /SEK
Distribution of women and men, all levels	47/53	45/55

Read more about our sustainability targets and outcomes on pages 18-19.



Implementation of new sustainability strategy

The new sustainability strategy was launched in the autumn along with a major internal communication campaign. Co-workers across all functions took part in a digital training course, and we offered seminars with the opportunity for co-workers to become sustainability ambassadors and gain more in-depth knowledge in the area. We have also increased in-store focus on how we can help our customers make conscious choices and live more sustainably.

Clas Rental in all stores

Our "Clas Rental" hiring service has been expanded and our customers are currently able to rent tools and cleaning devices from all of our stores.



Conscious choice

During the year, we experimented and tested a new assessment model for products that support a more sustainable lifestyle and increased communication regarding these products. The goal is to review the entire range and increasingly help our customers with sustainable solutions.

Our strategic partnership with Save the Children is intended to improve the situation for migrant-worker parents and their children in China. During the year, initiatives with digital solutions were adapted to facilitate parenting remotely in order to cope with the stress caused by children being separated from their parents. One example of this is smart watches that enable parents and children to see and speak to each other on a daily basis.



We have focused on guiding our customers to give some love to the products they already have rather than purchasing new ones. We have strengthened our offering of spare parts and launched a First Repair Kit that helps our customers to repair, seal, mend, fix and therefore extend the lifespan of items in their home.

Clas Ohlson's "Give some love" campaign film was one of the entries nominated in the "100 wattaren 2020" competition that rewards effective communication that creates demonstrable value by influencing the target group's behaviour in the desired direction.

In February 2021, a new partnership was established with the Church City Mission in Norway whereby we donate leftover products from selected stores. The products are donated to participants of social programmes or are sold in their stores with a focus on work integration. All proceeds go to local social programmes. Clas Ohlson has previously collaborated with Sweden's City Missions with similar arrangements.



Click above to watch our campaign film.

For the ninth year in a row, the Battery Hunt was completed in Norway in collaboration with Eco-Agents and VARTA. 16,000 school pupils broke the record collecting 124 tonnes of batteries for recycling.



Ready for the next step

The 2020/21 financial year is in many ways the year in which many of the fears circulating in the retail sector over the last few years quickly become a reality. We have witnessed an extremely fast shift towards online shopping, fewer customers visiting physical stores and intensified competition in the market. Despite facing many challenges in all parts of the value chain, we can end the financial year with a continuing solid financial position and profitability in line with our long-term targets. This demonstrates that we possess an inherent strength that fills me with optimism for the future.

My own journey at Clas Ohlson began in the middle of the intensive pandemic period that led to an uncertain macro environment and local restrictions that impacted, and continue to impact, how customers shop with Clas Ohlson. What struck me most is the energy and inventiveness in the way that Clas Ohlson's 4,500 co-workers have ensured that our customers are given a high level of service and relevant products despite the challenges we have

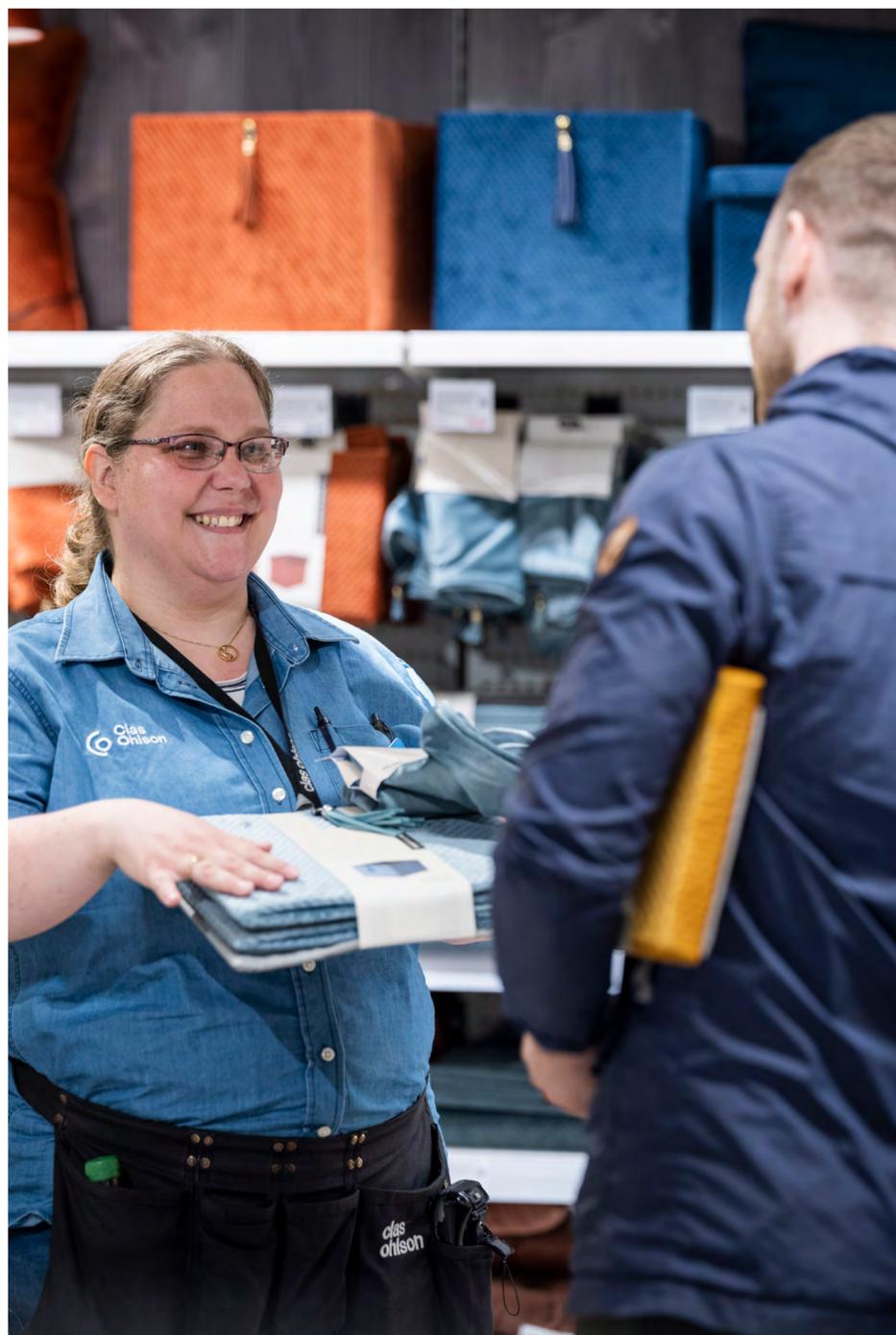
faced. I was hoping to see a strong customer focus and the desire to continuously improve when I took over as CEO, and my hopes have been more than fulfilled. In 2020/21, total sales declined to 8,284 MSEK, compared with 8,758 MSEK in the preceding year. At the same time, we succeeded in improving operating profit to 608 MSEK (549). The operating margin thus amounted to 7.3 per cent and 6.5 per cent excluding IFRS 16, which is within the framework of our long-term target of 6-8 per cent.

An extraordinary year of many different phases

While the business environment has presented various types of challenges and our customers have come to us with different needs and requirements for their homes, we have relentlessly focused on working on the things that we are able to influence. With clear routines and priorities, we have continuously worked to create the safest possible work environment for our co-workers and the safest possible store experience for our customers. A clear testa-

"I WAS HOPING TO SEE A STRONG CUSTOMER FOCUS AND THE DESIRE TO CONTINUOUSLY IMPROVE WHEN I TOOK OVER AS CEO, AND MY HOPES HAVE BEEN MORE THAN FULFILLED."

CEO'S STATEMENT



ment of our success with these efforts is that we have had very limited coronavirus cases in all of our workplaces. This has also meant that we have been able to keep our stores open, with the exception of those periods in which local restrictions forced us to close stores to visitors. This has been important for many reasons, but not least because the vast majority of our sales have taken place in physical stores despite reduced customer footfall and because it has provided us with the opportunity to continue to provide our customers with a positive experience of our brand. Besides the stores that were temporarily closed, stores in city locations and stores that typically benefit from cross-border shopping were significantly impacted by a decline in footfall. We have also seen clear increases and decreases connected to the restrictions and recommendations implemented by authorities during various phases of the spread of coronavirus.

Meanwhile, other developments took place during the year that have benefited our business. A greater focus on the home and the various functions of the home resulted in higher demand for many of our product categories. For example, many of our customers turned to us to create a better home office and organise the home at a time when more functions needed to be fit within their four walls, or simply to find more attractive and practical solutions both indoors and outdoors now that customers are spending more work time and leisure time at home.

Continuously developing a relevant and accessible product range

Our product range is one of our greatest strengths, and we have been able to rejuvenate

ourselves and our product offering in order to remain relevant to customers and their homes for over one hundred years. Clas Ohlson himself said that we will sell dependable products at low prices and with the right quality according to need – a statement that is just as relevant today as it was back in 1918. We can see that the initiatives we instigated during the autumn in important product categories such as organising and DIY have begun to bear fruit. We will continue to strengthen these important categories and take similar action with others. In short, this means that we work through entire categories based on our offer model with products, advice and services to provide the customer with a complete solution. In this way, it is clearer for the customer what they can expect of Clas Ohlson and what kinds of every-day problems we can help them to solve. With two new purchase offices – one in Poland and one in Vietnam – we have additional strength for our purchase organisation to present the right product at the right price and the right time to our customers.

In addition to having the right product range and a complete offering, accessibility and convenience are two important factors as to why customers choose Clas Ohlson. It is clear that customers appreciate convenience and accessibility, but they also value the in-store personal service that we can offer. Our surveys show that our in-store customers are extremely happy with their Clas Ohlson experience and we will continue to strengthen our store network. This means that we will be careful to ensure that all of our stores have the right format, location and prerequisites for profitability. During the year we opened six stores, relocated three and closed six.

An important function for the stores, in addition to what I have already mentioned, is to be the logistics hub for online shopping. During the year, we remodelled an additional store in Sweden and one store in Finland to also include a mini warehouse, which enables online orders to be delivered to our customers the same day or the day after the purchase is made. This type of integration between stores and online shopping will become an even more apparent competitive advantage moving forward. Another example of how the customer journey is

3.3

**IN TOTAL, WE NOW HAVE
3.3 MILLION CLUB CLAS
MEMBERS IN SWEDEN,
NORWAY AND FINLAND**

becoming closer interlinked between online and offline was witnessed in Norway during the winter and spring when many stores were closed and the Click & Collect delivery option – where purchases are made online and collected outside of a store – was used by seven of ten online customers.

We are also continuing to work with streamlining our distribution centre to be able to manage more orders in a shorter time. The major automation projects that we completed during the year are two prime examples of how we are equipping the company for the future: one in which we introduced a new inventory control system and one involving the automatic picking and packing of online shopping orders.

CEO'S STATEMENT

Further investments to our growing online shopping platform

Ensuring a competitive logistics chain is absolutely vital for our ability to offer our customers accessibility and convenience, not least when it comes to our online shopping platform in which we will continue to expand to handle rising volumes. Therefore, recruitment of digital expertise is another area in which we are investing, and we opened a brand-new office in Malmö in the spring devoted to digital customer meetings. Our goal is to double online sales every other year, and this year we achieved growth of 60 per cent. This also means that online sales account for over 10 per cent of Clas Ohlson's total sales across a financial year for the first time. The major changes in customer behaviour during the pandemic have clearly contributed to this, but we also see strong growth from the other platforms in which customers can access our offering, such as the online-based food retailers Mathem in Sweden and Oda (formerly Kolonial.no) in Norway.

Rising online sales has also meant that new customer groups are finding us online. In particular, we have noted that our older customers are increasingly shopping on clasohlson.com. Taking care of these customers and other new customer groups, such as younger customers choosing to rent tools rather than purchasing them, is key to our continued growth. For this, our Club Clas loyalty programme plays an extremely important role. Club Clas members purchase more and shop more often than other customers, and we have now opened the loyalty programme for our Norwegian customers; an

important milestone in developing our already strong ties with customers. In total, we now have 3.3 million members in Sweden, Norway and Finland who will play an important role as we expand our market shares in the Nordic DIY market.

Conscious choices for a more sustainable everyday life

Assuming long-term responsibility for our operations and our society will also play an increasingly prominent role when customers choose where they want to shop and when new talent decides where they want to work. Consumers already consider us to be at the absolute top of our industry when it comes to sustainability* and I am proud of the even more ambitious sustainability strategy that we have had in place since the autumn. Our strategic focus areas are the Planet, People and Society, for which the overall target is to become a climate neutral company along the entire value chain by 2045. This is also the target that will have the greatest impact on how we run our operations and a target in which we will need to weigh up many options and make many decisions in order to achieve it. Our customers are also faced with many choices when choosing how to live more sustainably, and to make it easier for them to make informed decisions, we have labelled a large number of products with a "Conscious choice" tag since the winter. During the financial year, sales of products for a more sustainable lifestyle represented 23 per cent of our total sales, which is slightly under our target of 25 per cent.

Solid platform for sustainable growth

In conclusion, I would like to thank all my co-workers for their impressive efforts during 2020/21. In many ways, the external conditions we have experienced have been the toughest imaginable, but by always putting the customer first, we remain strong and continue to work on simplifying life in every home with excellent DIY solutions. We do this based on a strong financial position and from a solid platform for profitable growth with a relevant range, an accessible store network, online shopping with many delivery options and a service offering that extends right into the homes of the customers with Clas Fix it.

In broader terms, the probability that a company will survive for longer than 100 years is about one in 20,000. It is incredibly inspiring that at Clas Ohlson we are part of this exclusive group. To be able to renew ourselves time and time again is no coincidence. This is something that involves hard work and a corporate culture bearing strength that we will continue to build on for 100 more years. We can and will achieve this, with the best interests of our co-workers, customers and shareholders at heart.



Kristofer Tonström
President and CEO
Insjön, June 2021



23%

PERCENTAGE OF
PRODUCTS FOR A
MORE SUSTAINABLE
LIFESTYLE

* Result from Sustainable Brand Index

BUSINESS ENVIRONMENT

A changing world

Digitalisation, sustainability and greater focus on the home are examples of trends that are increasingly impacting the retail sector as a whole and us as a company.

It is more crucial than ever before to understand trends in our business environment and transform this knowledge into concrete action that meet the changing requirements of our customers.



**Patrick Finch,
Business Analytics &
Insights Manager**

“The pandemic has been a catalyst for change in the retail sector and has made the home more important than ever before. New ways of improving the customer experience, particularly digitally, are becoming increasingly decisive.”

The significance of the home

During the pandemic, the home became an even more central part of people’s lives. Work, exercise and socialising have all taken place at home to a far greater extent than before. As a result, both new consumption needs and people’s relationships with their homes have changed now that the various rooms in the home serve several different functions. Functionality and convenience coupled with an emotional attachment to the space that people occupy are becoming increasingly important now that we are spending more time at home.

▶▶▶ We are passionate about simplifying our customers’ everyday lives and helping them to make the best use of the space in their homes. As such, we envisage major potential in the organisation segment and DIY solutions. Clas Ohlson has thousands of products from hardware and electrics to fixing up the kitchen, home office or outdoor space. We also offer support along the way from idea to a complete product in the form of professional advice and our own handymen. We want to help our customers achieve that special feeling as soon as they set foot through the door.

Health and hygiene

One of the clearest social trends is an increased focus on both physical and mental health. Health aspects cover a broad spectrum of areas in which diet, hygiene and lifestyle choices are becoming all the more important. Customers increasingly want to know the contents and qualities of different products.

▶▶▶ We offer smart hygiene and DIY solutions as part of our product range. Our leisure range is under constant development to promote and facilitate our customers’ outdoor activities, as is our offering for creativity and play. We work with sustainability at all stages – from contents, production, delivery to quality assurance, and we need to be at the forefront in order to convey this to our customers.

Digitalisation

Digitalisation has intensified during the pandemic and changed our purchasing patterns. We see that the older generation is increasingly shopping online, and that it is easier and easier to compare products and prices on websites with reviews and product comparisons. The way in which customers receive their online deliveries right to their homes has led to new business models in line with rising demand for convenience and flexibility. Every step of the value chain has been impacted – from product development, purchasing and transportation to online shopping and data-driven, personalised offers.

▶▶▶ A strong online presence with accessibility via several different channels and a convenient purchasing process are prerequisites for our ability to remain competitive and relevant in the future. To meet this requirement from our customers, it is all the more important that the developers of our website possess high technological expertise, but it is also extremely important that we have deep insight into our customers’ online behaviour patterns.

Sustainability

Sustainability involves making a permanent change and is not just a trend. Business ethics, social responsibility and climate impact are new cornerstones from both a business and risk perspective. New common values are emerging to combat global challenges related to climate change and health crises. Demand for sustainable products and services is increasing at the same time as the transition to a circular economy is making clear headway. Companies are seeking new business models to facilitate the transition to a circular economy, whereby consumers become users, products become functions and waste becomes a resource. Social responsibility is becoming necessary to attract and retain customers and skilled co-workers.

▶▶▶ A clear, ambitious and science-based sustainability agenda provides competitiveness. We have set a target of becoming climate neutral and fully circular by 2045. As a result, we place high demands on the characteristics of our products, social relationships in the communities that we operate in and our climate footprint to reduce our environmental impact and make a positive impact. Clas Ohlson is an inclusive organisation and stands against all forms of discrimination, and we aim to reflect the world that we operate in and live in.

Demographics

The world's population is constantly changing and in many different ways. The global population, our average age, how healthy we are, how active we are, how we live alongside one another, etc. An increase in our mean age means that the proportion of the total population who are 60 or over will rise from 8 per cent from the mid-20th century to 22 per cent in the mid-21st century. Consumption and trade is driven by the increase in population. The share of young consumers with a foreign background is rising while the number of single households is increasing at a swift pace.

▶▶▶ We must remain relevant for all types of home, irrespective of age, gender, origin, civil status, location or living situation. This means that we take lengths to understand the requirements of different customer groups and compose our offering based on customer insights at the same time as we are continually developing in line with the needs of our customers.

Retail trends

The pandemic has increased the market share of low-price chains. Retail players can now more easily be divided into those who undercut prices and those who offer the customer something unique. Customers care increasingly about the products' quality, contents and the social conditions during the manufacturing process and do not wish to burden nature's resources unnecessarily.

▶▶▶ Our customer promise is to simplify everyday life in all types of homes by offering sustainable complete solutions and offering the customer good value for money. To have competitive prices, we work continuously to enhance efficiency throughout the organisation with smarter and more simple business processes. At the same time, we don't compromise in terms of quality, and invest in advanced analyses to understand customer needs and conduct thorough quality and sustainability tests on our products.

The new workplace

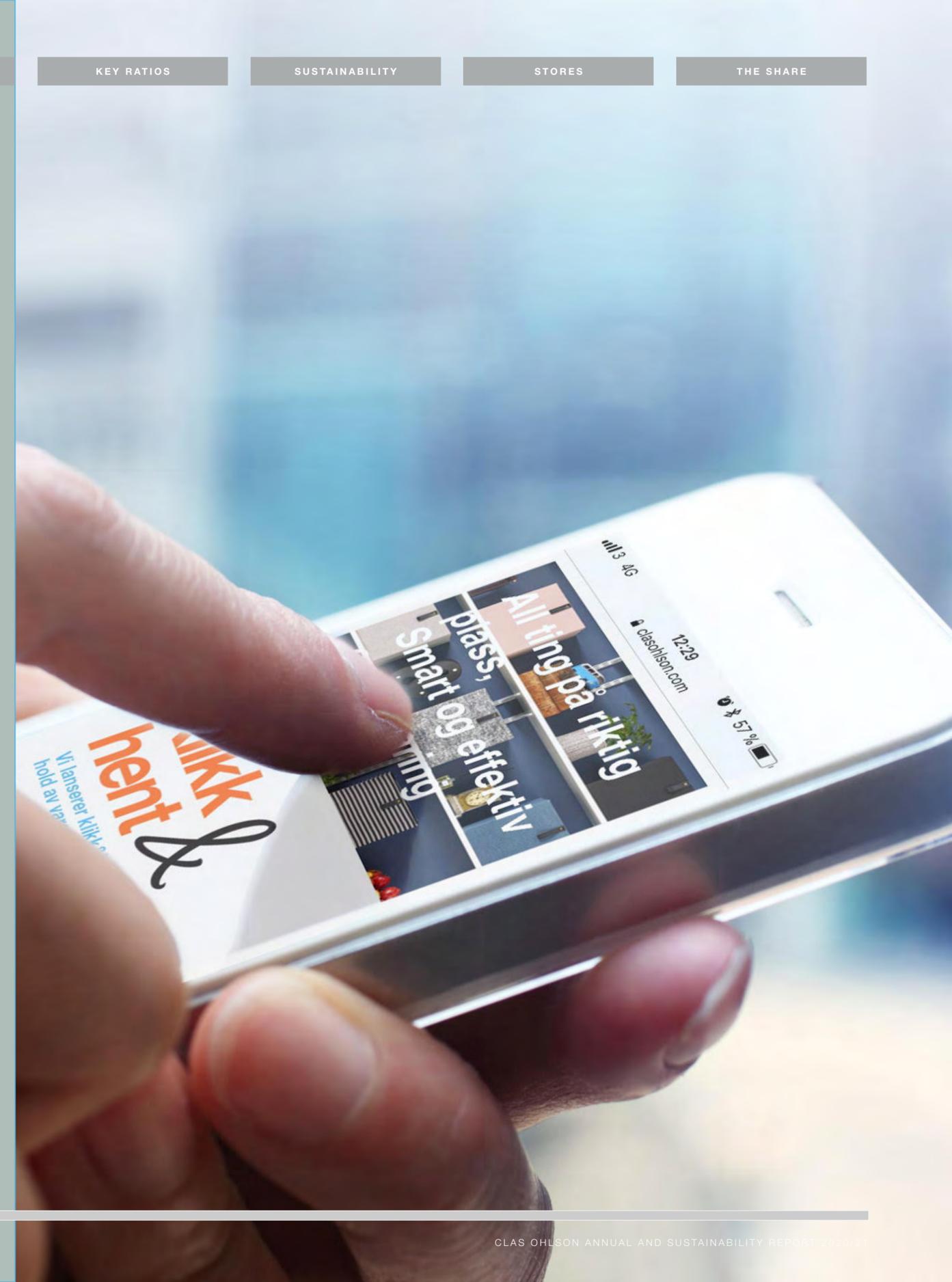
During the pandemic, the authorities encouraged everyone able to work from home to do so to help reduce the spread of infection. More office employees expect to continue to be able to work remotely, which is encouraging movement away from big cities and increasing the importance of local business. At the same time, the design of the workplace in terms of air quality, cleanliness and cutting down on overcrowding has become more significant for those who continue to work from their normal workplace.

▶▶▶ Clas Ohlson aims to be a more attractive employer that appeals to the best talents and meets their work expectations. In our commercial offering, we aim to be a top-of-mind destination for solutions for the home office and organising. The attractiveness of local stores is becoming more important and we are continuing our work with different store formats that are also delivering online orders with personal service.

Artificial intelligence

AI technology has matured to a point where powerful and flexible solutions are increasingly easier to develop and distribute. The retail sector has distinguished itself as one of the industries that is applying and developing AI the quickest given the enormous potential to enhance the efficiency of entire operations and also to predict future customer requirements and thereby increase sales.

▶▶▶ AI has many powerful commercial fields of application and Clas Ohlson works actively with data-driven insights to work smarter, be relevant to our customers and be able to predict and meet future customer needs. One of our most important priorities is therefore developing expertise in data-driven working methods and AI.



Our culture

Throughout our long history, Clas Ohlson has continually demonstrated curiosity, courage and drive to develop with the times. Our 4,500 co-workers continue to demonstrate this to this very day.



The Clas Ohlson spirit is the foundation of everything we do

A strong corporate culture is always important, particularly in a year that has been dominated by rapid change and much uncertainty. Clas Ohlson himself was always curious and driven to find new ways of making the customer happy, an idea that has developed into a guiding principle for everything that our co-workers do today. We are proud of how Clas Ohlson envisaged how the company should be, and as such, describe his behaviour in five short stories. We work internally on an ongoing basis to execute his behaviour and maintain the core of who we are and what we stand for.

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.

Welcome home

Clas Ohlson's home was also where his business was located. He had a genuine interest in both his customers and co-workers. He was aware that every relationship was valuable. Each morning he shook the hand of every co-worker and listened to what was going on in their lives. By doing that he not only built a strong workplace, he and his co-workers also learnt what the customers wanted.

Today we are the ones who make our customers, and each other, feel like home.

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 simpler and more 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 multinational retail business.

Today, we are the ones keeping it simple and efficient, and growing our business by doing so.

One Clas Ohlson

Clas was curious in nature and eager to learn new things every day. To help the customer – regardless of if the customer was his co-worker or someone writing a letter of complaint – was his way to both share his knowledge and develop his business. His co-workers helped him with bringing many of his ideas to life, and they stood by his priorities of always putting the customer first. Together, with shared goals, is how the company Clas Ohlson succeeded.

Today, we are the ones building One Clas Ohlson.

Be like Clas – Be yourself

Clas was honest and direct and went his own way – always one step ahead. He did not hesitate to try new ways, not afraid of failure, because he knew out of a 100 ideas only one or two were successful. But he made sure to reflect and learn from his mistakes – and try again. That's just who he was, courageous, curious and eager to challenge conventions.

Today we are the ones having the courage to be ourselves. Not afraid to try, and try again.



For us, it is important to be able to offer a stimulating and healthy work environment, where co-workers can enjoy physical and mental well-being, and feel a sense of trust, security and belonging.

Our co-workers are our most important asset

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.

Our new sustainability strategy that was launched during the financial year affirms that Clas Ohlson is to be a sustainable and long-term employer with happy co-workers reflecting all kinds of homes.

This means that we are to be an attractive employer that can 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 Clas Ohlson's culture and who want to grow with us. We offer stimulating opportunities for personal and professional development. We strive for increased diversity and we are convinced that a variety of competencies and backgrounds is incredibly important for creating an innovative, creative climate and profitable growth. Having a service mindset, commitment, a business-oriented approach and a willingness to constantly improve are important prerequisites to enjoy working with us.

We keep our strong corporate culture alive together

At the core of our approach and our way of working to continually grow and retain our

strong brand, we have a strong corporate culture in place that we call the Clas Ohlson spirit. To ensure that this culture, which has been present in the company ever since it was founded in 1918, lives on, we work actively to keep the Clas Ohlson spirit alive and carry it with us in everything we do, both internally and externally. Our co-workers should feel that the spirit is constantly present, regardless of whether they work in store, at our warehouse, or at an office. Our customers should feel it when they shop, regardless of whether they visit our stores or are shopping online.

In addition to having our culture with us in our everyday work, we reinforce and strengthen it by regularly carrying out workshops with different themes connected to the Clas Ohlson spirit together with every personnel group. Everyone participates in discussions and comes to decisions regarding behaviour, what we think is important and what makes us feel good. For us at Clas Ohlson, it is important that everyone is able to be themselves, and is given the space to share their thoughts and views, to nurture understanding and build relationships within the team. Our success is created by harnessing the expertise and qualities of each unique co-worker who sees new opportunities and resolves challenges every day.

Leadership and culture go hand in hand

At Clas Ohlson, leadership involves living the culture and creating trust among our co-workers to be themselves and be able to use their

strengths in their daily work. In a time in which our industry is undergoing major changes, the role of leader can be a complex one. This involves handling the anxiety that can come about due to changes and new working methods, and motivating and creating confidence in the future. Our managers apply a well-established forward-looking attitude.

During the year, we created a structured method in which managers can share their experiences with one another in the so-called "leadership gyms". The sessions follow changes in the business environment by being digital, and the format has been shortened from physical meetings spanning two entire days to shorter "gym sessions" in which co-workers join, practise and talk about one subject at a time. Following this, it is time to go out into the real world and practice before a follow-up session. During these sessions, experience is shared and input is provided from co-workers in the form of tips and advice about tackling challenges, although the sessions also include confirmation and praise for things that have been successful. Almost 300 managers from all parts of the company took this training course during the year.

According to the most recent employee survey conducted in the spring of 2021, we see a stable trend in the areas of commitment and leadership. 79 per cent of our co-workers are committed or highly committed and 79 per cent of our work groups consider themselves to have a manager with good or excellent leadership.

Many roads to skills development

We operate in a constantly changing business environment and we need to be constantly up-to-date for the tasks ahead. Skills development takes place through tailored, formal training and by sharing of the skills that exist in the company internally.

Our focus areas for our in-store co-workers include enhancing knowledge of our products and services, sustainability and taking our customer meetings to the next level.

At the same time, we have focused on clarifying information by introducing new procedures, working methods and change to maintain a safe workplace following to the prevailing recommendations and rules based on the situation caused by the pandemic during the year. These conditions have changed several times during the year, and as such, we have needed to make changes rapidly.

Our digital teaching platform Clasroom was replaced, and we created 100 new training modules during the financial year. The new platform has a very high level of accessibility and user-friendliness and is very popular with our co-workers, who completed approximately 150,000 training modules of varying lengths during the financial year. The training modules are available 24 hours a day, work just as well on a computer as on a mobile phone, and provide excellent prerequisites for constant learning.

Onboarding new co-workers

We launched an updated Group-wide method for introducing and taking care of new store co-workers to ensure the best possible start for them and that they feel welcome at Clas Ohlson.

Office co-workers are also equipped with a new digital onboarding format in which they meet various functions and departments who explain how they contribute to Clas Ohlson's long-term goals. In this way, new co-workers are provided with an overview and can better understand the operations as a whole, as well as build relationships, form networks and break down barriers. There is also a more in-depth induction for each position where new co-workers meet the colleagues who they will be working closest with. The onboarding programme creates a fantastic launchpad for our new co-workers to succeed at Clas Ohlson, and has received very positive reviews from its participants in their evaluations.

Strong base of digital skills at our new office

During the financial year, we opened a new office in Malmö, where we have established a strong base of skills that will help us strengthen our digital customer offering. We also opened a new store connected to the office, and together we are establishing a strong unit with new customer meetings on a daily basis in which we are able to integrate online sales with the physical store experience and enhance our long-term digital presence.

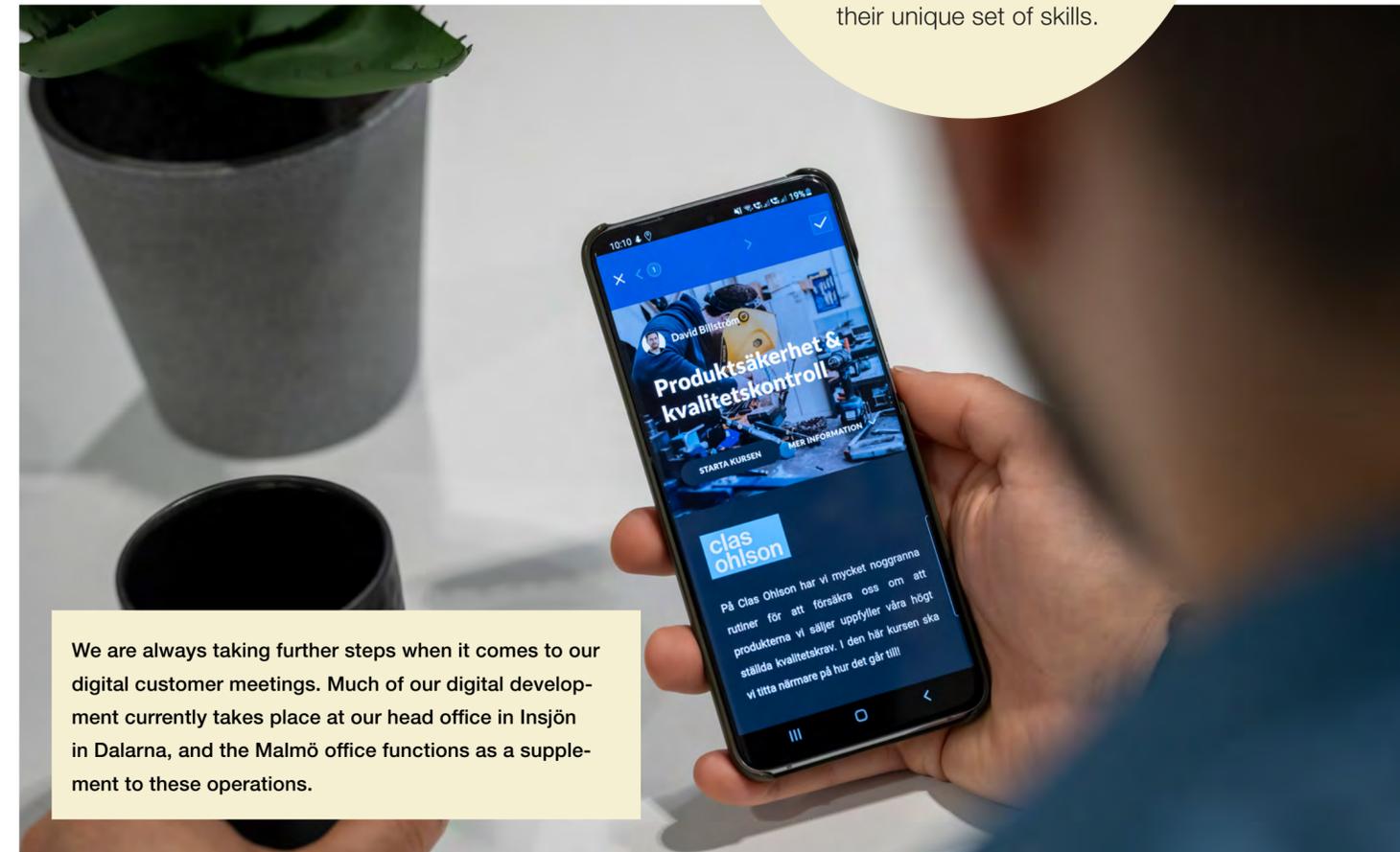
Diversity

We endeavour to ensure that every workplace has co-workers with different backgrounds, skills and experience. Greater diversity boosts creativity and innovation. This helps us to understand and interact with our customers in the best possible way. We have a zero tolerance policy for all forms of discrimination and harassment. All co-workers have the same rights, opportunities and obligations. The recruitment process was also updated to include an extensive diversity perspective.



**Tina Englyst,
HR and Sustainability Director,
General Counsel**

"We strive to be an inclusive organisation in which every co-worker feels comfortable to be themselves and where they are all given the best prerequisites to contribute to Clas Ohlson with their unique set of skills."



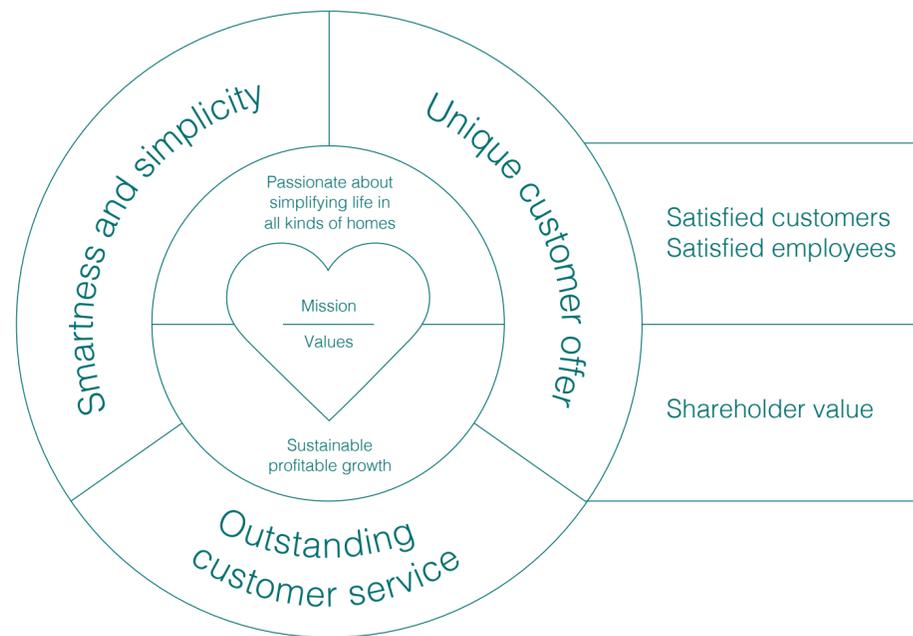
We are always taking further steps when it comes to our digital customer meetings. Much of our digital development currently takes place at our head office in Insjön in Dalarna, and the Malmö office functions as a supplement to these operations.

STRATEGIC FRAMEWORK

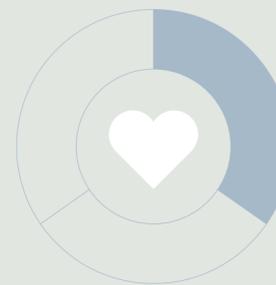
Strategy for sustainable, profitable growth

Clas Ohlson is passionate about simplifying life in all kinds of homes.

In 1918, entrepreneur Clas Ohlson founded a company with the idea of simplifying people's everyday lives. Much has happened since then, but our founder's idea is just as relevant today as it was then. We will continue to help and inspire people to improve their everyday life by offering smart, simple and practical solutions at attractive prices. Over the years, we have earned a place in the hearts of millions and established strong customer relationships. This gives us the conditions and the confidence to simplify people's lives in new ways when their habits, needs and consumer patterns change and where new technology makes it possible. We must take this opportunity, and do so by providing a unique customer offer, outstanding customer service and by conducting operations in a smart and simple manner. We call this strategy "100 more years".

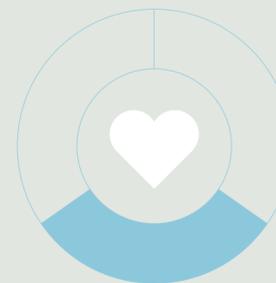


Three cornerstones of the strategy



A unique customer offering

With an increasingly focused product offering in which the home is defined as our commercial arena, we remain relevant to our large and growing customer base. We will also increase the share of proprietary brands and focus intensively on offering sustainable solutions. At the same time, we are gradually supplementing our offering of smart services for practical problem-solving in the home. Read more on pages 20-25.



Outstanding customer service

We are increasing added value by offering even better availability and personalised guidance both in stores and online. The store is the most important hub of our operations. At the same time, we offer simple and convenient solutions for the growing proportion of customers who order products online. Read more on pages 26-29.



Smart and simple

We are simplifying and streamlining our entire operations. This means that we are investing in better systems and streamlining the operations throughout the chain, by focusing on product development, purchasing and distribution. Read more on pages 30-33.

Focus areas 2021/2022

Under the framework of our strategy, we have identified three focus areas that we will be working with over the next financial year to drive growth.

Strengthen our most important product categories

Our commercial arena is the home. With the rising importance of the home, we see commercial opportunities in offering complete solutions for customers' most important problems in the home. Clas Ohlson is to be a destination for not only products, but also solutions, and we already have valuable experience from our work on updating the offers in organising and DIY projects in the home.



Capture a higher share of customer traffic

Clas Ohlson is a strong brand in our Nordic home markets. With optimised marketing and a relevant customer offering, we can capture market shares in both customer traffic and sales, in stores and online, when restrictions are lifted in our sales markets. A key tool in achieving this is our Club Clas loyalty programme where we offer attractive membership benefits to our most valuable customers.



Continue to grow online shopping

More and more customers are choosing to visit us online, and we see that there is scope to strengthen our presence and further improve the online shopping experience for our customers. Part of these efforts is developing digital meetings and offering flexible and rapid delivery times. The unique interplay between our online shopping platform and store network is an important competitive advantage. The stores serve as both logistical hubs for online shopping and meeting places where we can interact with our customers and understand their needs in a more personal manner.

Climate neutral and fully circular by 2045

Clas Ohlson aims to simplify and facilitate a sustainable life in every home

We are ambitious in terms of our sustainability efforts, which are based on science. The strategy is based on the impact we have on our planet, people and society.

In addition to targets aimed on consuming less of the world's resources, we have clear measurable figures for how Clas Ohlson will be a sustainable and long-term employer with happy co-workers and how we will maintain focus on children's rights and be a clear children's rights ambassador.

To achieve profitable growth for 100 more years, we need to meet our sustainability targets. The general goals are part of the three focus areas that are presented below and are described in more detail on pages 18-19.

- Climate neutral and fully circular by 2045
- Be a sustainable and long-term employer with happy co-workers reflecting all kinds of homes
- Contributing to a fair and prosperous society for future generations – we will be a children's rights ambassador

Focus areas for sustainability



Planet: facilitate a sustainable life for our customers

Through a long-term transition of our operations, we want to contribute to keeping within the limitations of our planet by focusing on our climate footprint. We must work with strategical transition programmes in sourcing, products and the product range, communication, service and aftermarket to achieve our overall targets.

- Clas Ohlson's target is to become climate-neutral across our entire value chain by 2045. Our ambition is to be entirely circular by 2045
- To achieve this, Clas Ohlson has decided on a target for which we reduce our emissions relative to our sales by 50 per cent along the entire value chain by 2030, corresponding to a reduction of 20 per cent in absolute terms



People: to be a sustainable and long-term employer with happy co-workers

We must be an inclusive organisation with zero tolerance for discrimination reflecting all kinds of homes. Our ambition is for co-workers who have worked at the company for a longer time to be offered full-time positions.

- 15-20 per cent of our co-workers are to have a background in another country than the one they currently work in by 2025
- Equal gender distribution at all levels
- Increase employee attendance to 96 per cent



Society: contributing to a fair and prosperous society for future generations

We have been working from a children's rights perspective for a number of years. This is directly connected to our offering that is intended for every home, and children's rights to a secure home and childhood. We want to ensure childhood that is free from abuse and with the opportunity for receiving an education.

- Strengthen children's rights, in part through our collaboration with World Childhood Foundation
- Long-term, sustainable improvements for our suppliers through continued collaboration with Sedex and Save the Children
- Support the Clas Ohlson Foundation
- Ensure zero tolerance towards corruption and compliance with our standards for business ethics

TARGETS AND TARGET FULFILMENT

Target: Profitable growth

Clas Ohlson's financial targets include organic growth of 5 per cent. From the 2020/21 financial year, the set target is to reach an operating margin of 6-8 per cent. In addition, net debt in relation to EBITDA is to fall below two times and the dividend is to comprise at least 50 per cent of earnings per share after tax considering the financial position.

1. Growth

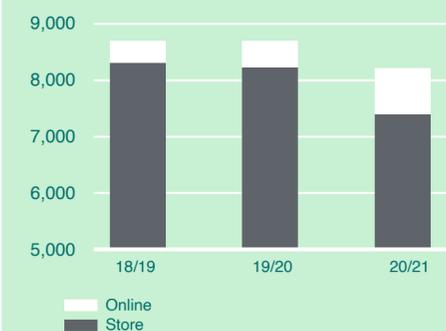
Targets and framework

Sales will increase organically an average of 5 per cent annually over a five-year period. Online sales to double every other year.

Target fulfilment

Sales declined by 5 per cent to 8,284 MSEK (8,758). Organic sales declined by 1 per cent compared with the preceding year. Sales in comparable units and local currency decreased by 1 per cent. Online sales increased by 60 per cent to 894 MSEK (558).

Sales, MSEK



2. Profitability

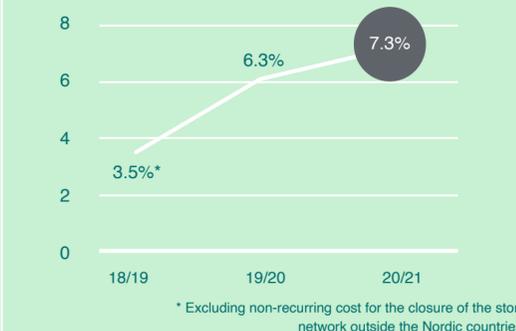
Targets and framework

Operating margin will amount to 6-8 per cent within a five-year period. The aim for 2019/20-2020/21 has been to deliver an operating margin of 4-6 per cent, excluding the effects of IFRS 16.

Target fulfilment

The operating margin was 7.3 per cent (6.3). IFRS 16 had a positive effect on operating margin of 0.9 (1.1) of a percentage point.

Operating margin, %



3. Financial position

Framework

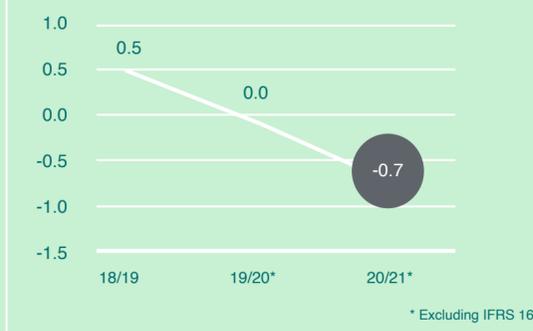
Net debt in relation to EBITDA to fall below two (2) times.

Investments are being planned as regards financial position, cash flow and strategic activities.

Fulfilment

Excluding the effect of IFRS 16, net debt in relation to EBITDA was -0.7 times (0.0). Net debt in relation to EBITDA including IFRS 16 amounted to 1.1 times (1.8).

Net debt/EBITDA, multiple



4. Dividend

Framework

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

In 2019/20, the Board's proposal was adopted that no dividend was to be given for the year to safeguard Clas Ohlson's solid financial position and flexibility as a result of the pandemic and macroeconomic uncertainty.

Fulfilment

The Board of Directors proposes that a dividend of SEK 6.25 per share (0.0) be paid for the 2020/21 financial year.

Dividend per share, SEK



TARGETS AND TARGET FULFILMENT

Target: Simplify and enable a sustainable life in every home

During the financial year, we focused on the implementation of the sustainability strategy to clearly reflect and support our strategy of 100 more years. This means that we should act in a responsible way in our everyday lives that, in the long-term, makes it easier for our customers to live their own everyday lives in a sustainable manner.

A sustainable offering



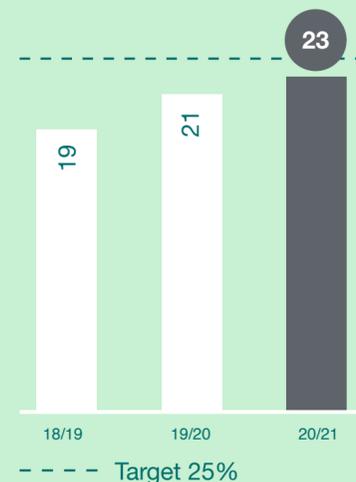
Targets and framework

- The share of sustainable products will amount to at least 25 per cent of sales in 2020/21
- 100 per cent eco-labelled alkaline batteries
- From 2022, new product development to be evaluated using a framework for sustainable products
- A sustainable alternative to all consumables (where alternatives are available in the market)
- Implement plastics strategy
- All Clas Ohlson labelled products (private-label products) to have passed a sustainability programme by 2025

Target fulfilment

The proportion of sustainable products has increased to 23 per cent. The framework that forms the basis of the assessment of sustainable products has been developed and a pilot programme has been completed. We have continued to replace consumables with more sustainable alternatives. From 1 January 2021, we will only purchase eco-labelled alkaline batteries, with the exception of button-cell batteries, for which no better alternative is yet available.

Products for a sustainable lifestyle, %



A sustainable customer meeting



Targets and framework

- Increase the knowledge of sustainability issues among our co-workers in our stores, inform our customers more clearly
- Sustainability is integrated into everything we do
- Our co-workers can guide customers towards sustainable choices and solutions
- Strengthen the communication behind our sustainability activities

Target fulfilment

Sustainability comprises an integrated part of our strategy. The new sustainability strategy has been launched at all levels with internal information, training and a new ambassador programme. We guide our customers to live more sustainably through seasonal planning and communicating conscious choices in store, online and through our digital channels. Our customers' and co-workers' opinions on our sustainability activities are measured and followed up on.

Brand position: The target is to be perceived as a meaningful and trusted brand and company.

The 2021 Sustainable Brand Index revealed that Clas Ohlson is perceived to be the best at sustainability among companies in the leisure and home electronics sector in Sweden, and second best in the same category in Norway.



Reduce CO₂ emissions in our operations



Targets and framework

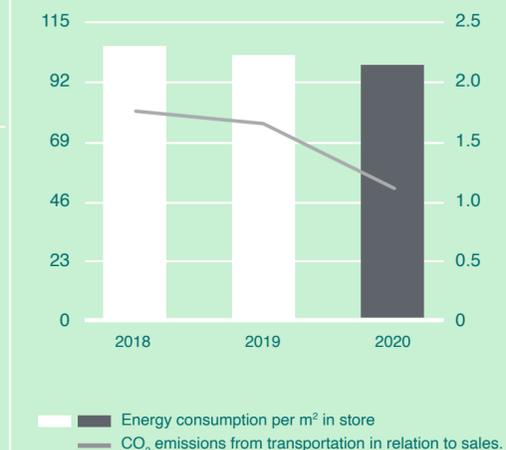
- Clas Ohlson's target is to become climate neutral along our entire value chain by 2045*
- To achieve this, Clas Ohlson has decided on a target for which we reduce our emissions relative to our sales by 50 per cent along the entire value chain by 2030, compared with the base year of 2019, corresponding to a reduction of 20 per cent in absolute terms
- Our ambition is to be entirely circular by 2045
- 30 per cent energy optimisation in our stores by 2030 (base year 2014)

**In line with the Paris Agreement*

Target fulfilment

GHG emissions fell by 20.6 per cent, of which 3.6 under Scope 1 and 2. We continued to expand our reporting under Scope 3 with the target of including the entire value chain. The average store energy consumption declined by 3 per cent and has been a total of minus 19 per cent since 2014. Read more on pages 104-105.

CO₂ emissions from transportation in relation to our sales and energy consumption per m² in store



Efficient, sustainable packaging along our entire value chain



Targets and framework

- Efficient packaging chain from the design phase all the way to the stores or direct to customers' homes
- 25 per cent recycled packaging materials by 2025
- All packaging is to be recyclable by 2025
- Model for assessing sustainable products implemented, also including packaging
- Reduction of the use of packaging material in collaboration with partners

Target fulfilment

- In line with the assessment model for sustainable products, new products have been launched with locally manufactured packaging made from bio-plastics
- Together with PostNord and DS Smith, Clas Ohlson decided to take part in a research project for optimising packaging

Proportion of recyclable new packaging, %

100

TARGETS AND TARGET FULFILMENT



Ensure compliance and high business ethics



Targets and framework

- Ensure compliance with our standards for business ethics and zero tolerance towards corruption
- The Code of Conduct and Code of Business Ethics define the requirements and instructions that both co-workers and partners are expected to follow
- Regular training of relevant co-workers takes place on an ongoing basis and unannounced audits will be carried out at regular intervals

Target fulfilment

Four deviations were reported during the year: two attempts at bribery, one anonymous case of whistleblowing and one case in which an employee demanded inappropriate benefits. One supplier partnership was discontinued and one employee was relieved.

In addition, we sent letters to all suppliers in China in September 2020 concerning zero tolerance against corruption, and followed up with an additional letter on the same theme in December 2020 due to the Chinese new year.

Discontinued partnerships as result of deviations

One

Our role in society shall contribute to Clas Ohlson's target of being a meaningful and trusted brand and company



Targets and framework

- Meaningful and trusted brand
- Our social responsibility is closely linked to our operations and we have a prominent focus on children's rights
- Our strategic partnerships with World Childhood Foundation and Save the Children, in which training of our suppliers in China and co-workers in our home markets is an important aspect
- Innovation and entrepreneurship initiatives through the Clas Ohlson Foundation, education for young people and crisis management

Target fulfilment

- More than 86,000 packets of children's rights plasters have been sold in our stores with the proceeds going directly to Childhood's operations
- In total, more than 1,700 co-workers have now completed the "Important Adult" training course to become a children's rights ambassador and combat children being exposed to abuse.
- Together with Save the Children, the WeCare programme was implemented in China to address the increased challenges with migrant workers and their children during the coronavirus pandemic.

Meaningful and trusted brand

74% (69)

Proportion of co-workers who agree that Clas Ohlson works in a trusted manner on sustainability.

A responsible supply chain



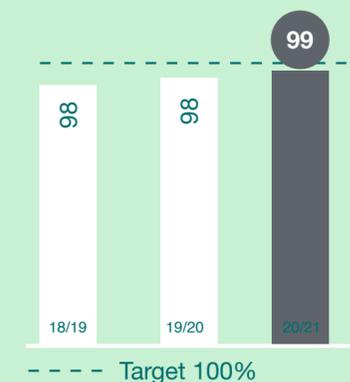
Targets and framework

- 100 per cent of suppliers are to fulfil the requirements of our Code of Conduct as regards working conditions, human rights and environment
- The ambition to further contribute to long-term improvements for our suppliers
- Define Clas Ohlson's level of responsibility in our supply chain regarding sub-contractors
- Partnership with KEEP

Target fulfilment

Percentage of suppliers meeting the requirements of our Code of Conduct amounted to 99 per cent. We have completed a pilot programme for an updated model for environmental audits including climate footprint and energy consumption.

Proportion of suppliers meeting the requirements of the Code of Conduct with no serious deviations, %



An attractive & sustainable employer



Targets and framework

- Our co-workers are to perceive that we live up to our brand position
- 15-20 per cent of our co-workers are to have a background in another country than the one they currently work in by 2025*
- Minimum 40/60 gender distribution at all levels
- Equal opportunities for career and development for all
- We aim to increase employee attendance to 96 per cent
- Continued work to be an inclusive organisation, where we respect each other and conduct ourselves in accordance with our culture and values

Target fulfilment

Our gender equality statistics have improved, and as a result, we have established the target of achieving equal gender distribution at all levels. The employee attendance level has not improved according to plan primarily as result of challenges brought on by the pandemic. The proportion of long-term illnesses has increased somewhat.

Employee attendance
94% (94)

Total gender equality
47% (45) women
53% (55) men
Manager positions
38% (35) women / 62% (65) men

International diversity*
9% (8)

Equal opportunities for career and development for all
82% (80)

*Measured in the employee survey with the question "Do you work in a different country to the country you were born in?"

A UNIQUE CUSTOMER OFFERING

A unique customer offering

Clas Ohlson offers smart, simple and practical solutions that make everyday life at home a little easier.



We help you spice up your trip or outdoor experience with functional accessories. At Clas Ohlson, you can find comfortable and soft cushions and blankets. Our range of plates and glasses made from durable material are suitable for outdoor use. Put all of your tasty food, sandwiches and snacks in one of our cool bags to keep them fresh all day long.

A UNIQUE CUSTOMER OFFERING

Our cleaning appliances and accessories make it easy to keep every room of your home clean and tidy. We have home essentials such as vacuum cleaners, mops, cloths and eco-labelled detergent as well as more advanced cleaning appliances such as automatic window cleaners, efficient floor-care machines and automatic robot vacuum cleaners.

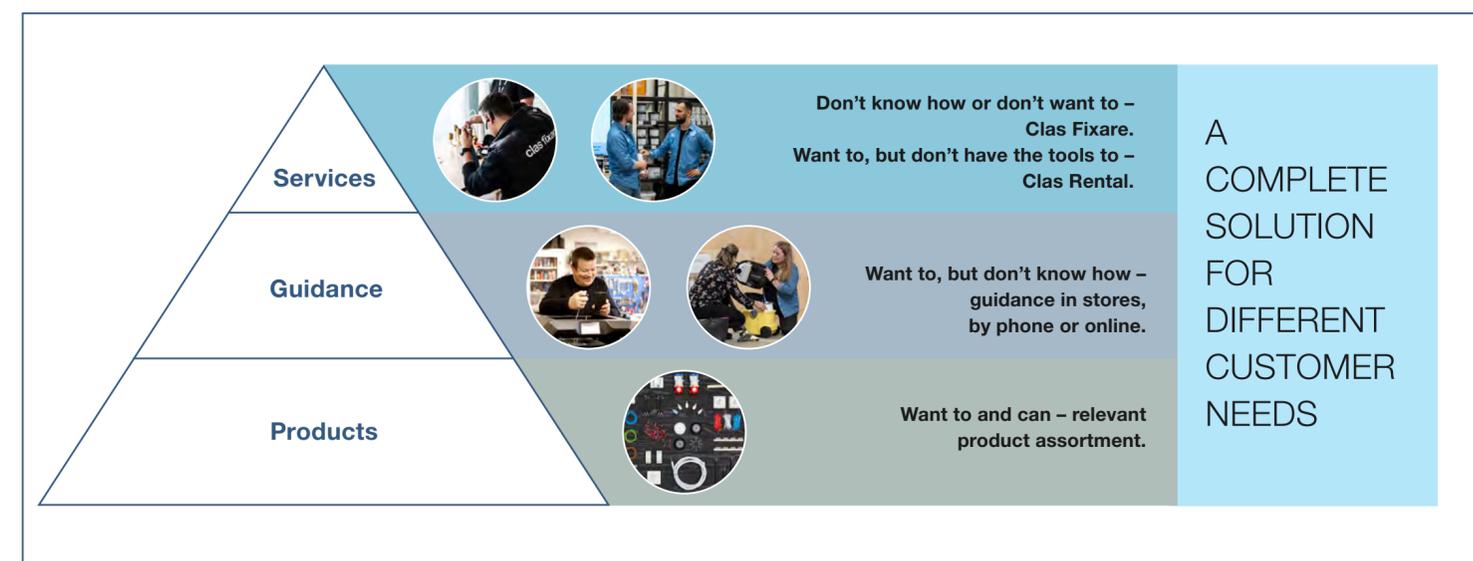


We often talk about our offering as a pyramid, with the product range at the base. We have a broad selection of smart and sustainable products to help and inspire customers to improve everyday life at home. We follow trends and changes in consumer patterns to continuously be able to develop our offering so that it meets customer requirements and wishes in a relevant way in the markets that we serve.

Above that base we offer guidance in-store and remotely via telephone, social media, our website and videos. Solving challenges that can arise at home should be simple and fun, and we are available to our customers to guide them in how to use the products they have purchased from us.

At the very top, we have supplementary services. We offer product rental, which is easy on both your wallet and the environment. With our Clas Fix it service, customers who are unable to or do not wish to install products at home can receive help to assemble their products. Our handymen bring everything needed for the customer's job to their homes and take care of the practicalities and any little complications.

We are passionate about solutions that simplify lives in all kinds of homes.



A UNIQUE CUSTOMER OFFERING

Products, guidance and services

Clas Ohlson offers products and services that make everyday life easier, with high demands placed on function, price, quality, product safety and sustainability. We have a broad product range in the categories of Hardware, Electrical, Multimedia, Home and Leisure. The product range includes both proprietary brands and other well-known brands. In addition, we offer spare parts and accessories that prolong the product life cycle.

Hardware

In the Hardware category, we sell tools, fittings and materials that make it easier and more enjoyable to renovate, build, paint and repair. We focus on smaller projects. We have the tools to get the job done, the paint to paint with and everything else needed to renovate and make home repairs.



Clas Rental

We have now made it possible to hire products rather than purchasing them, which is easy on both the environment and the wallet! Our Clas Rental service is available in all our stores in the Nordics.



Clas Fix it

You can solve your everyday problems quickly, easily and affordably with the Clas Fix it DIY service! We can help you with general maintenance, installation and assembly, IT and smart homes, electricity, outdoor and plumbing jobs.



Leisure

With smart, fun and practical products, we want our customers to get more out of their leisure and hobbies. We have items for everyone from new parents to fishing enthusiasts, boat owners, cyclists and gardeners. Our range of outdoor living and camping makes it easier and more fun to enjoy moments together in the open air.



Home

We have thousands of affordable products that make everyday life easier and more enjoyable. The product range includes products for the kitchen, broom cupboard, wardrobe, laundry room and bathroom. Large parts of the range are changed each year to follow prevailing trends.



In 2020, Clas Ohlson launched a new kid's bedroom range with inspirational storage that helps families keep children's rooms neat and tidy. The range offers smart and tasteful solutions for helping little ones organise, decorate and play at home.

Guidance

Every co-worker plays an important role when it comes to providing service and advice to customers. We are passionate about simplifying life in every home and providing support to our customers both in-store and online. Our 228 stores are a destination for customers to arrive at the right solutions and inspiration for their projects. Another convenient way of receiving advice and help with product usage or DIY projects is via telephone, social media, chat and video calls. The easy-to-use Clas Video Assistance service puts customers in direct contact with specialists at our repair centres in Insjön and helps them solve many practical problems without needing to leave the home.



Multimedia

Our Multimedia range uses simple and smart solutions to connect networks, music, films, printouts and much more. Large parts of the range are replaced frequently due to new needs and the rapid pace of technological advances, but we also supply products from older generations of technology.

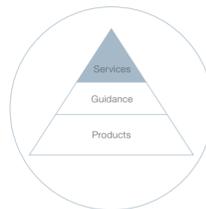


Electrical

Clas Ohlson has many smart, safe and energy-efficient solutions for an electrical-smart home or office, and we also offer energy-efficient and trendy designs in armatures and lighting sources. In this category we offer products to transmit, charge, monitor, measure, light, heat, link, install, drive and ventilate.



A UNIQUE CUSTOMER OFFERING - SERVICES



Clas Rental



Many items in the home are used relatively rarely.

For example, a carpet cleaning machine. Or a drill, which is used an average of only 13 minutes during its lifespan. We believe that sharing items with one another should be simple and affordable – the environmental benefit of renting rather than purchasing is huge! That's why we launched Clas Rental.

The circular economy and sharing economy are gradual changes that are here to stay. It is no longer a given that we need to buy a brand-new product as soon as we need something. This could be due to environmental and financial considerations or simply a lack of space at home if people live in a small space, which is common in metropolitan areas. Sometimes, people want to rent and test a product before deciding whether to actually buy it.

For three years, Clas Ohlson has conducted a pilot project of offering a rental service in which we have experimented and developed our offering for the Nordic market. The option of hiring has proven popular and we decided to take this a step further this year by expanding the hire range with more products and ensuring that the service is offered in all Clas Ohlson stores in our Nordic markets.

All our customers can now rent different types of products that suit both large and small homes. Customers can hire everything from drills to circular saws and more advanced tools that may be needed for larger renovations. Our rental range also includes products for window cleaning, floor cleaning, carpet cleaning and other cleaning products. We have also kept it simple and affordable. The customer visits the website, orders the product they want to rent and then picks it up in a selected store. All Club Clas members can also rent products at half price.



Sara Langhoff,
Business Development Lead

"We have seen a high demand for these types of services. Not everyone wants to own products. This can be due to environmental considerations or simply because people do not have enough space for more products at home."

Clas Fix it

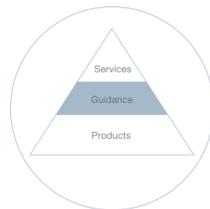


Clas Ohlson founded the company Clas Ohlson & Co in 1918. What began as a bicycle repair shop quickly developed into one of Sweden's largest mail order companies which formed the foundation for the company we are today. Exactly one hundred years later in November 2018, we launched Clas Fix it as a way to develop our offering to become a complete solution of products, guidance and installation. Based in a store, Clas Fix it receives assignments to visit customers who need help with jobs that are a bit too small for traditional help but a little too difficult or daunting for customers to do themselves. They could be small electric or plumbing jobs, or installing a shelf or a robotic lawn mower. The service is booked through an app or in the store and is currently available in Stockholm and Uppsala. Clas Fix it has received a very positive reception from customers and a total of over 4,200 different jobs were carried out in the Stockholm region in 2020. The planned expansion will continue when conditions are easier to predict.



SHARE OF CUSTOMERS THAT USED CLAS FIX IT SERVICE DURING THE YEAR THAT WOULD RECOMMEND IT TO FRIENDS AND ACQUAINTANCES

A UNIQUE CUSTOMER OFFERING - ADVICE



In-store guidance: Hardware section gets a new look



The winter and spring saw a hive of activity at our stores with updates to the hardware section. The new hardware section is a vital component of our “Give some love” initiative, where we focus on helping customers with more simple DIY projects. The new visual setup makes it easier for customers to navigate the section, find the right products on the shelves and provides our co-workers with new ways of inspiring customers. The range has also been updated with some products phased out while others have been added to make the purchasing process more convenient and solve customers’ projects in the best possible way.



Erik Roman, Business Development Lead
 “We have noted that more customers require help with more simple DIY projects. Many customers do not have a garage full of tools, and their level of knowledge when it comes to DIY projects varies significantly. Our new hardware section makes us more relevant to them.”

Guidance given remotely: Get help directly on your phone



Many customers who purchase our products require some help in how to use our products or how to go about their DIY projects. Our co-workers at our Customer Care department are available to our customers via telephone, e-mail, social media and chat. During the year, we launched a new service for Club Clas members; Clas Video Assistance, that makes it even easier and more convenient to receive advice and help from our experts. Customers book a time online and can then speak to one of our technical experts directly on a video call.



Per Dahler, Customer Care Manager
 “By using video calls, we have brand-new opportunities for helping customers. For example, we can show them how to change a printer ink cartridge and the customer can explain and demonstrate their problem more easily. We know that we can solve a lot of problems remotely.”

Give some love

DIY has been an important part of our history, and it will remain an important part of our strategy moving forward. As we are faced with the challenges of climate change, an increasing number of people have begun to realise that it is not possible to consume in the way that we have always done with a “wear and tear” mentality. Repairing and taking care of the things we already have saves resources and is good for the environment.

This year, we launched our long-term focus “Give some love” to facilitate a more sustainable everyday life for our customers by offering advice, inspiration and complete solutions for repairs, maintenance and improvement. In addition to Clas Fix it, Clas Ohlson offers other services such as tool rental and professional advice. This is really just the start of a long journey.



A UNIQUE CUSTOMER OFFERING - PRODUCTS



Careful and structured testing of all our products

Both we and our customers place strict demands on quality. The products that we import ourselves are carefully tested at our workshops in Insjön, taking account of such factors as fire safety, chemicals in the materials and radio interference with electrical products. Customer safety is always our highest priority. Products that don't live up to legal requirements and Clas Ohlson's own requirements – that are often more stringent than the legal requirements – will never have a place in our range.

Each product is tested based on its area of use in several mini workshops, divided into product areas. A team of product technicians tests functions and disassembles each product to inspect its components. Some testing also takes place in external third-party labs. We do not place orders until the technicians have deemed the product to be up to standard, and until we have checked that the product fulfils Clas Ohlson's requirements – including applicable legal requirements – and that the supplier complies with our Code of Conduct.

We also strive to offer products that support a more sustainable lifestyle. "Products for a more sustainable lifestyle" are products that are better in terms of sustainability than other, comparable products. We label these products with "Conscious choice" in store and online. Sustainability and quality are constant focal points at Clas Ohlson and the product range is an important part of our sustainability agenda.

Continuous monitoring is an important part of our quality work and we consistently monitor claims statistics and customer assessments to continue developing and improving the entire product range. We are constantly refining and developing the tools that we are monitoring. We also actively work on the types of chemicals we use, and we have imposed stricter requirements than those set by legislation for products used by children and products that come into contact with skin or food.



**Henrik Alfredsson,
Product & Quality
Compliance Manager**

"It is important that all products from suppliers are tested and that we are not satisfied in simply trusting documentation. We test all products thoroughly to ensure that what is written in the product's documentation is completely correct."



Each product is tested in several mini workshops located at the head office in Insjön.

OUTSTANDING CUSTOMER SERVICE

Outstanding customer service

A world-class customer experience and greater accessibility to Clas Ohlson's offering is a central part of our strategy.

Our in-store co-workers pose specific questions to our customers to understand the everyday problems that they want to solve, and ensure that customers get all the products they need to finish the project. We call this considerate sales.



OUTSTANDING CUSTOMER SERVICE



BRILLIANT AWARDS

— CUSTOMER EXPERIENCE —

BÄSTA KUNDSERVICE - HANDEL
VINNARE 2020

Clas Ohlson best at customer service according to a major survey

Brilliant Awards – Customer Experience 2021 is a distinction for the company in Sweden that provides the most committed customer service in its industry and can thus address themselves as “Best at customer service”. The survey is based on data from 135 different companies and a total of 2.5 million customer surveys that were completed last year. Customers awarded scores for parameters such as overall satisfaction and employee commitment. This is the second year in a row that Clas Ohlson has come top of the survey.

Mobile video calls provide us with a further dimension and more opportunities to assist our customers.

Clas Ohlson’s unique customer offering is a comprehensive solution that is based on more than just smart and affordable products. Our co-workers are passionate about providing advice and guidance in-store and online at the same time as we offer sustainable hiring services and have skilled handymen in place to assist customers with every step of their project. We want to be proactive, meeting our customers with commitment and knowledge at all stages and provide a personal meeting based on the Clas Ohlson spirit. We believe that a good customer experience is fundamental to creating satisfied return customers.

In our continuous work to take our in-store customer meetings to new levels and thereby increase our sales, we make use of our sales coach programme. The concept involves the store manager, together with their management group, training and coaching their co-workers in their day-to-day work, thereby continuously strengthening service identity.

Outstanding Customer Care department
Our Customer Care department in Insjön, Sweden, which has over 20 dedicated co-workers, won first place in the Brilliant Awards in February in the category of best customer service in retail for the second year in a row.

Co-workers at the Customer Care department at the head office in Insjön handle about 500,000 calls, e-mails and social media messages every year. More complex issues are referred to specialists at their own workshops who are technical experts and can help the customer remotely via telephone or video calls. One of the foundations of our strategy is to deliver outstanding customer service, and receiving the “Best at customer service” award is a testament to our continuous work of always focusing on the customer.



THE YEAR CLAS OHLSON WAS FOUNDED WITH A SPIRIT THAT PUTS THE CUSTOMER FIRST

OUTSTANDING CUSTOMER SERVICE

Smarta prylar / Klubberbjudanden / Guider / Expertråd

Classe #1 2021

Tips, inspiration och smarta lösningar från Clas Ohlson

EXPERTFIXAREN JOHAN TELL:
"BÖRJA MED ETT HOPPLÖST FALL"

Ladda för livet ute!

Ljusa nyheter
Skapa stämning med solcellslysning

Smarta knep
För grönare gräs och rostfria verktyg

Rent samvete
Städa miljösamt med såpa och ättika

28
prylar som gör hemestern roligare

TEMA FIXA OCH FÖRNYA

8 steg till att göra om en gammal möbel

clas ohlson

Club Clas: Many loyal customers in all of our markets

Club Clas is our loyalty programme, with a total of 3.3 million members in Sweden, Norway and Finland. Club Clas members are our most valuable customers, and with our loyalty programme, we create a platform to communicate with them and in return give members a value that we know they appreciate. The benefits our members have access to include club prices (that have increased in number during the year), club days and half price on tool rental. In Sweden, our members also receive a 3 per cent bonus on everything they purchase.

Successful launch in Norway

Club Clas is now available in all our home markets. Following a successful launch in Sweden in 2013 and in Finland the following year, they loyalty programme was launched in the Norwegian market in 2020. The club was in demand from our Norwegian customers, which quickly became apparent with an inflow of customers. The number of members exceeded expectations and reached over 500,000 six months after the launch. The pace of recruitment and customer and employee commitment remain

The "Classe" magazine is published three or four times per year and is packed with inspiration and tips for our products and services. Classe is available online under My Pages for our Club Clas members or can be found in stores if readers prefer a paper copy.

high, and we continue to expect to further strengthen our membership base.

Our loyalty club is one of the largest in the Nordics

Clas Ohlson has many loyal and committed customers in all markets. Our members are important for us for many reasons – they are our ultimate ambassadors and also our most profitable customers. These members visit us more often, have higher average receipts and make purchases from more categories compared with customers who are not Club Clas members.

Continuous development of Club Clas

Our members actively take advantage of Club Clas offers and our membership communication, but we also see the potential for further strengthening and enhancing our offering and improving its precision. With more and greater insight based on data on our members' purchasing patterns and behaviour, we can make our offering smarter and even more relevant.

Our efforts include more automated communication based on the behaviour of our members. For example, if a customer has purchased an electric tooth brush, they will receive a reminder a certain time after their purchase offering new toothbrush heads. This makes the offering more personalised, with better timing and more precision compared with traditional communication.

We work continuously on building our customer base and increasing its scope by recruiting new member to Club Clas and making our offering even more attractive. Our brand is strong and customers want to become involved and be part of our solution-solving family – but there remains great potential for simplifying and improving the customer experience for members and thus strengthening the customer relationship even further.



**Carina Thunberg,
Loyalty Specialist**

"We are delighted and very proud that 3.3 million customers have already chosen to become members of Club Clas. With the knowledge we receive, we can provide value and develop new benefits, services and product ranges based on individual member requirements."

OUTSTANDING CUSTOMER SERVICE

A comfortable and convenient shopping experience

In times of social distancing, we very much need to think outside the box and find new ways of offering customers security and flexibility. We have launched several new options for customers to shop and have their goods delivered, and we currently offer a unique combination of stores and online shopping – on our own and other platforms – with a number of flexible delivery options. We are working continuously to further strengthen the interplay between our online shopping platform and store network.

Freedom of choice for customers with flexible deliveries

With our customers increasingly on the go, they expect a seamless shopping experience with quick deliveries and a wide range of delivery options. Where, when and how customers want to have their shopping delivered may depend on the product they have purchased or what situation they find themselves in. To meet our customers' requirements for convenience and service, we are continuing to develop the combination of stores in prime locations, online shopping in various platforms and many flexible delivery options. Therefore, we offer our customers great flexibility and the opportunity to select the pick-up point themselves. We also assist customers in deciding which delivery form suits them most by being transparent in

our website communication with a clear overview of the options, simple explanations and clear comparisons of the alternatives based on the estimated waiting times and price of delivery. We have a close collaboration with our transport partners in the markets in which we operate. Together, we can offer various delivery options tailored to different customer requirements, with a substantial focus on flexibility and ongoing improvements to reduce our environmental impact. During the financial year, we became partners with Instabox, a new delivery option in Sweden.

Clas Ohlson's customers also appreciate the option to purchase our products using other platforms. The partnerships with the online food retailers MatHem in Sweden and Oda in Norway continue to perform well and have been further strengthened by the prevailing pandemic and more time spent at home. Our partnership with the Finnish food-delivery technology company Wolt performed positively, and the service expanded this year to include even more cities. We place strict demands on our distributors for home deliveries, in order to offer more environmentally friendly options for our customers. Through our partnerships with MatHem, Oda and Wolt, we can further optimise the transportation flow and reduce our emissions.



Anna Strindberg,

Program Manager Sustainability

"Increased online shopping influences customer expectations that they can have their products delivered quickly right to their door, which is why understanding and managing the environmental impact from different sales and distribution channels is becoming increasingly important to us."



We have our own parcel cabinets in selected stores, which is another simple and convenient delivery option for customers who make online purchases and select Click & Collect.

SMARTNESS AND SIMPLICITY

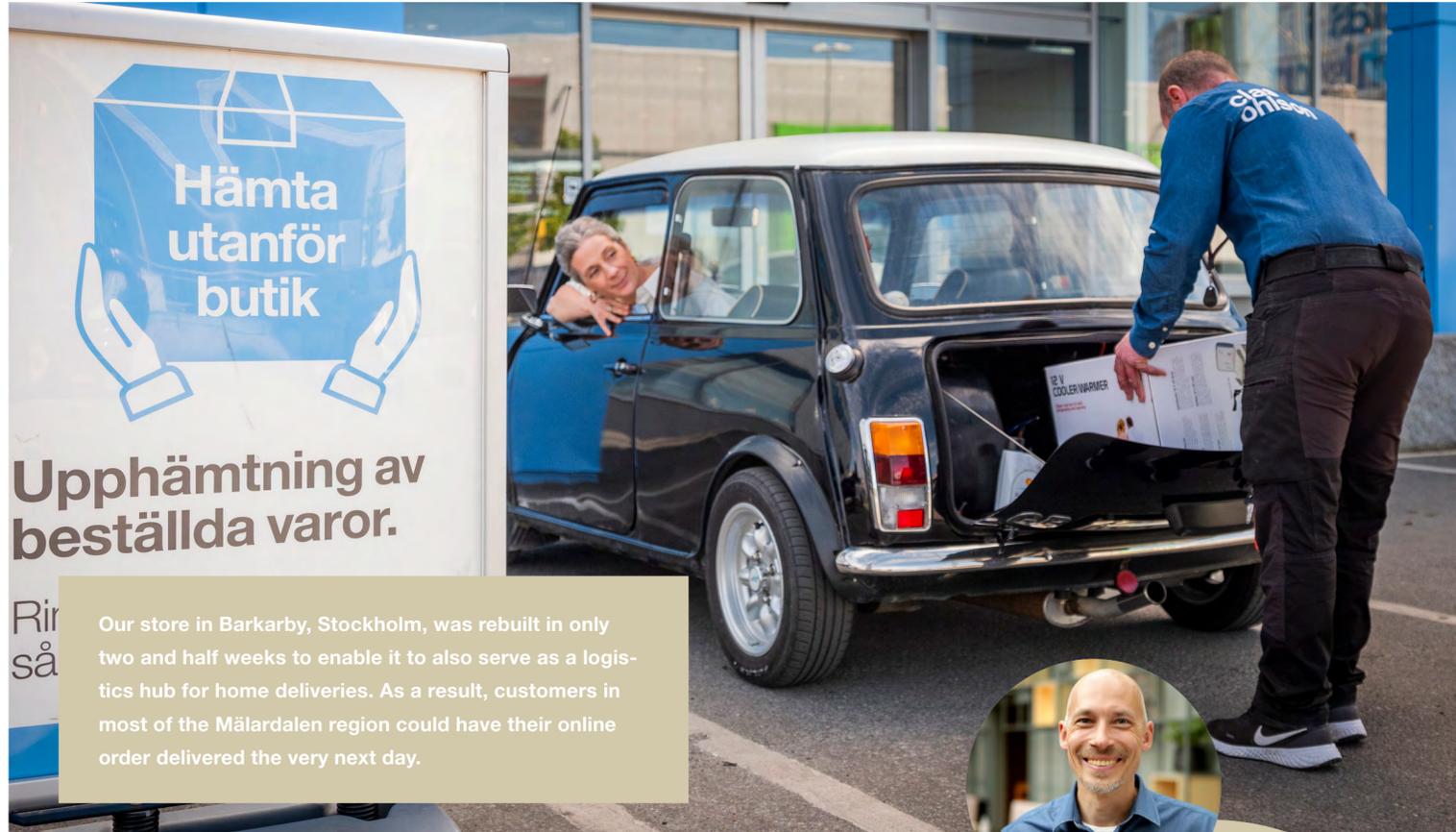
Smart and simple

Smartness and simplicity, in terms of organisation and working method, is part of Clas Ohlson's strategy to strengthen its long-term position in the market.



"Smartness and simplicity" is one of the building blocks of our strategy, and this way of thinking is also apparent with our culture and our co-workers on a daily basis.

SMARTNESS AND SIMPLICITY



Our store in Barkarby, Stockholm, was rebuilt in only two and half weeks to enable it to also serve as a logistics hub for home deliveries. As a result, customers in most of the Mälardalen region could have their online order delivered the very next day.



**Johannes Åverling,
Director of Retail Operations**
“Being awarded Retail chain of the year and Omni-experience of the year reflects how we meet our customers in-store and online, how our knowledge of the products that we sell creates added value and how we are developing new, exciting service concepts.”



Clas Ohlson's business model, with its combination of a relevant product range, an accessible store network, online shopping on our own and other platforms and providing a unique customer service and service offering, contributed to us being awarded Retail chain of the year and Omni-experience of the year at the 2020 Retail Awards.

The role of stores in the digital revolution

Throughout this extraordinary year, we experienced varied restrictions and altered patterns of movement and behaviour with more and more customers moving over to online shopping. However, we can also see that the physical store will continue to play an important role in creating relationships, brand building and distribution.

Clas Ohlson has worked with an omni-channel perspective for many years, developing new store formats to optimise the store network. We carefully monitor customer behaviour and map purchasing patterns and trends. We aim to be easily accessible in all stages in order to create inspiration and deliver complete solutions. And everything should be smart and simple.

We strive for the best possible prerequisites for our operations and, as such, continuously evaluate our store network and leases. We test out new formats and learn along the way. Compact Store is Clas Ohlson's smaller format store and located close to residential areas with a range specifically adapted to nearby customers. All our stores are to provide a range that suits the typical kind of customers found in the specific area located close to the store. To achieve shorter delivery times and make deliveries even smarter, we have remodelled selected stores into what we call feeder stores. Feeder stores act as important logistics points for our online business where our last-mile partners assist us in quickly and efficiently distributing our online orders to the local areas surrounding these stores.

Personal meetings, quick and secure deliveries

Our stores are meeting places where we can interact with our customers and understand their needs in a more personal manner. In addition, the stores serve as logistical hubs for our online business since the Click & Collect option has become our most

popular delivery option for online orders. The service allows customers to make their purchases online before collecting their order in one of Clas Ohlson's stores. With only 30 minutes delivery time, we make the shopping experience even more convenient, and when the customer comes to collect their package from us, they can also receive guidance from our highly skilled co-workers, return products or, perhaps, rent tools for their next DIY project. In 2020, we also launched the option for customers to collect their orders outside most stores in our Nordic markets if they that did not want to or could not enter the store. This was a key part of our sales in Norway in spring 2021 when stringent restrictions and lockdowns were in place.



**Trond Martin Nettelhorst,
Store Footprint**
“We continuously review and work on our store network by remodelling, relocating, opening and sometimes closing stores. We need to be where our customers are and make us as relevant and accessible as possible.”

SMARTNESS AND SIMPLICITY

Smart logistics with refined solutions

The distribution centre at Insjön is the hub of our distribution network. Most of our deliveries from our suppliers end up here for picking and packing before further distribution to one of our stores, or directly to customers. An efficient and sustainable flow of goods to and from the distribution centre is one of our most important success factors.

Automation helps increase efficiency, scalability and flexibility to ensure the supply chain to our store network and manage the fast-growing online shopping trend.

Improved precision in store deliveries with a new warehouse management system at the distribution centre in Insjön

We replaced our warehouse management system at the distribution centre during the financial year. This will help ensure that stores automatically receive the right goods in the right quantities and at the right times. The system is integrated with other systems using data history and sales forecasts per products and enables us to deliver the right products to the stores. The system was launched in autumn 2020, and is continuously being refined in order

to become more precise as we receive more input data and history to base results on. This optimises inventory in each store, increases the level of service, and is also an important step in meeting increasingly tough competition and future customer demands.

Expanded automation for managing orders to our online customers

We made important investments in the development of our online shopping flow during the financial year. It is crucial for us to make investments in order to achieve our ambition of doubling online sales every other year, and investments also form the foundation for the future.

We have taken steps in the transition from manually handling online orders to a more automated system to quickly managing growing volumes by introducing new solutions where we have moved parts of the pick and pack process to the automated flow. This means that we have invested in packing machines and new conveyors, leading to fewer instances requiring human interaction from when the order is made from the customer until it is picked, packed and ready to be sent.



Per-Ove Silverstam, Head of Logistics

“The investments we make at our distribution centre in the form of automation and new working methods are crucial for being able to meet customers’ current and future requirements.”



SMARTNESS AND SIMPLICITY



Global development of purchasing organisation

Purchasing operations and brand development are vital parts of our operations. During the year, we invested in becoming even better at purchasing globally. In spring 2021, two of our largest investments were the establishment of our own purchase office in Warsaw in Poland and in Ho Chi Minh City in Vietnam, at the same time as our current purchasing organisation in China is continuing to be developed.

Our assortment development and purchasing operation is led by our purchasing organisation at the head office in Insjön, where we are continuously working to find the balance between total cost, sustainability and quality.

In Insjön, we also possess knowledge of our customers' needs, and from here we refer concrete purchasing assignments to our local purchase offices in Shanghai, Hong Kong, Warsaw and Ho Chi Minh City. The target is to stimulate healthy competition between the purchase offices, with the office that produces the best alternatives in line with our strategies winning the order. The different offices share working methods in which they learn from each other and develop processes together, while keeping Clas Ohlson's best interests at heart as their common goal at all times.

For our purchase offices across the world, we primarily recruit local co-workers who are provided with an extensive introduction to Clas Ohlson's culture, history and strategies. Local purchase offices and local knowledge enable us to come closer to our suppliers, reduce the amount of intermediaries and possess a smarter purchasing process. With these investments, we see that we have created the preconditions to continue to develop our platforms for global purchases.

We want to have close, healthy and long-term purchasing relationships with our suppliers

We believe in long-term and close relationships with several suppliers across the world. The demands we set are realistic but also ambitious. We constantly evaluate their ability to continuously improve quality, social responsibility and environmental impact. To achieve ongoing improvements together with our producers, we believe in long-term and close collaborations and that we need to understand our producers' operations and productions as a customer. We want our negotiations and collaborations to result in permanent, stable and long-term improvements that benefit both us and our suppliers.



**Kate Huynh,
Sourcing Manager, Vietnam**

"The new office in Ho Chi Minh City has created many opportunities. We possess valuable local knowledge allowing us to develop the purchasing process, making it even smarter and with fewer intermediaries."



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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 2020 to 30 April 2021. 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 works to help and inspire people to improve their everyday lives by offering smart, simple, practical solutions at attractive prices. Our 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. During the year, operations were conducted in Sweden, Norway, Finland and the UK via stores and online shopping, and via purchase offices in China, Poland and Vietnam. No operations are conducted in Germany.

The product range includes approximately 15,000 articles 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 distributed via stores, or via mail order/Internet 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 228, of which 97 were in Sweden, 90 in Norway, 40 in Finland and one in the UK. The number of contracted forthcoming store openings is four stores.

Significant events during the financial year

During the financial year, the store network remained unchanged compared with the year-earlier period (a decrease of four) stores.

Clas Ohlson was impacted by the COVID-19 pandemic to varying extents during the financial year, and took action to manage the consequences. About 300 store employees were temporarily laid off between April and June 2020, due to shorter opening hours and fewer visitors. Furthermore, about 200 office employees had their working hours reduced between April and mid-June. Subsequent layoffs were made throughout the year following local restrictions and when stores were closed. The entire business was also impacted by lower footfall in certain city centre locations. Despite this, sales in the Norwegian operations were significantly higher in the first quarter compared with the preceding year. Sales in Norway in the third and fourth quarters were negatively impacted when restrictions meant that about half of the Norwegian stores had to be closed. In addition to working in various ways to promote a safe work environment for co-workers and a safe shopping experience for customers, the Group countered major fluctuations in consumer patterns with relevant products and flexible customer interaction. For example, the Click & Collect delivery option was further improved. Club Clas was also launched in Norway in September.

DIRECTORS' REPORT

Other uncertainty factors arising during the financial year were related to the major disruptions to global logistics chains, partly connected with the COVID-19 pandemic, but also the situation in the Suez Canal at the end of March. With a continued deficit of available containers for the flow of goods from Asia to Europe, costs have increased for goods transports and a shortage of certain products will remain a persistent challenge for some time to come. New purchase offices were opened in Poland and Vietnam to adapt the operations in general and provide for greater flexibility.

Fluctuations in the currency markets during the financial year had a major impact on the Group's earnings. The NOK has recovered somewhat during the fourth quarter, following several quarters in which it was weak. Meanwhile, the most important purchasing currency, the USD, has weakened compared with the SEK.

During the year, the Group invested in digital infrastructure and skills in order to scale up the business over time, handle higher volumes of online shopping and more efficiently manage supply chains to the stores. For instance, a new inventory management system was implemented and new employees recruited in parallel to increase expertise and improve the digital customer experience.

In the past two financial years, the cost level was reduced to the interval of 225-250 MSEK and the remaining effects of the cost reductions of about 150-160 MSEK were realised in the current financial year 2020/21.

The Board of Directors of Clas Ohlson AB appointed Kristofer Tonström as the new President and CEO of the company in December. Kristofer Tonström assumed his new position on 8 February 2021. Former President and CEO Lotta Lyrå was CEO until 4 December 2020. The company's CFO, Pär Christiansen, served as Acting CEO for the period until Kristofer Tonström joined the company.

Sales and profits

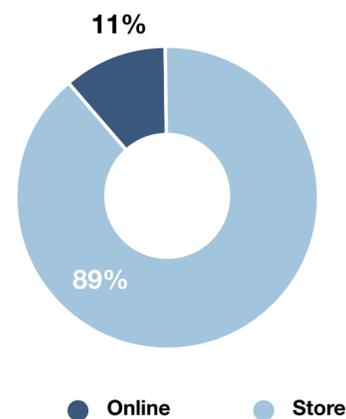
Sales declined by 5 per cent to 8,284 MSEK (8,758). Organic sales declined by 1 per cent compared with the preceding year. Sales in comparable units and local currency decreased by 1 per cent. Online sales increased by 60 per cent to 894 MSEK (558).

Sales were distributed as follows:

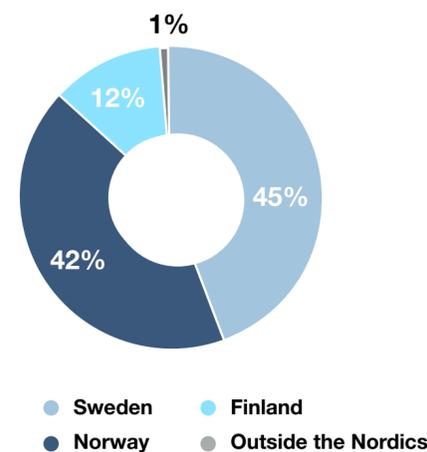
Sales area (MSEK)				
Countries	2020/21	2019/20	Percentage change local currency	Percentage change, local currency
Sweden	3,748	3,991	-6	-6
Norway	3,522	3,590	-2	6
Finland	959	1,086	-12	-9
Outside the Nordics	56	92	-39	-36
Total	8,284	8,758	-5	-1
Of which, online sales	894	558	60	64

Distribution of sales increase	
Comparable units in local currency	-1%
New stores	0%
Exchange-rate effects	-4%
Total	-5%

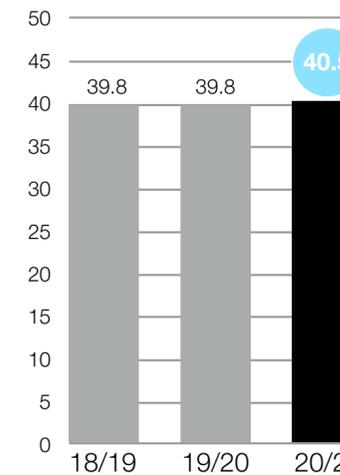
Sales in stores/online



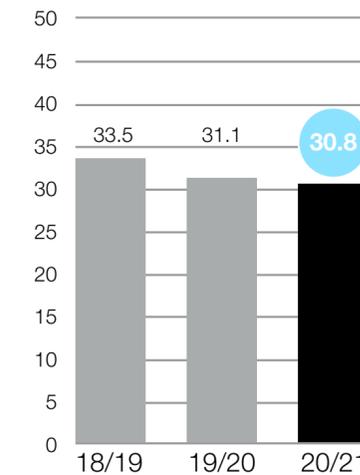
Net sales per country



Gross margin, %



Share of selling expenses, %



DIRECTORS' REPORT

The gross margin increased by 0.7 of a percentage point to 40.5 per cent (39.8). During the period, the gross margin was positively impacted by an improved product mix, lower campaign intensity and lower sourcing costs. This was largely offset by a weaker sales currency (NOK) and a stronger purchasing currency (USD) in relation to the SEK. Effects attributable to currency hedging (NOK) from both currency forwards and exchange-rate effects related to delays in inventory had a marginal impact during the period.

The share of selling expenses declined 0.3 of a percentage point to 30.8 per cent (31.1). The share of selling expenses for the period was impacted by lower expenses for store operations including in city locations primarily in Sweden and Finland where traffic has been lower due to COVID-19 and lower expenses outside the Nordics. This was largely offset by lower sales in comparable units.

Administrative expenses declined 25 MSEK to 195 MSEK (221), mainly due to a more optimised organisation and more efficient work methods. There was also a major cost focus related to the high uncertainty caused by the ongoing pandemic.

Operating profit totalled 608 MSEK (549). IFRS 16 had a positive effect of 70 MSEK on operating profit, resulting in operating profit of 538 MSEK excluding this effect (454). Operating profit was positively impacted as a result of COVID-19 relief concerning sick pay compensation totalling 17 MSEK. These have been reported as a reduction in cost of the items the subsidy pertains to once the criteria are deemed to have been met.

Spot exchange rates for key currencies averaged 0.97 for NOK and 8.76 for USD, compared with 1.05 and 9.60, respectively, in the year-earlier period. Currency

hedging was undertaken in USD and NOK. Currency hedging that fell due during the period had a positive impact of 26 MSEK (NOK) on earnings and a negative impact on inventory value through an increase of 42 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.

The operating margin was 7.3 per cent (6.3). IFRS 16 had a positive effect on operating margin of 0.9 of a percentage point (1.1). Profit after financial items totalled 545 MSEK (482). IFRS 16 had a positive impact of 10 MSEK on profit after financial items and a positive impact of 6 MSEK on profit after tax.

Depreciation for the period totalled 714 MSEK (687), of which 486 MSEK (472) pertained to depreciation of right-of-use assets in accordance with IFRS 16.

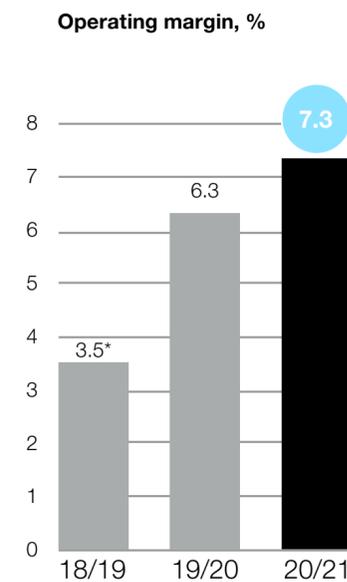
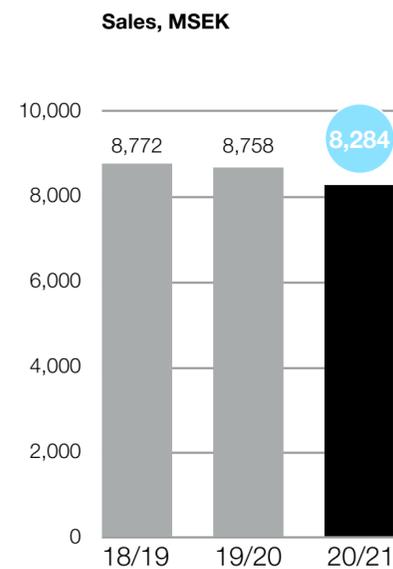
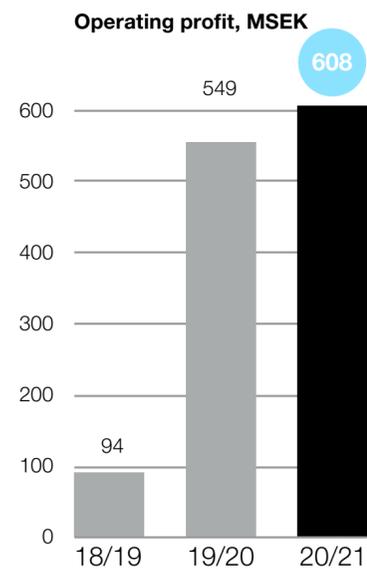
Prospects for the next financial year

The macroeconomic climate and the impact on customer behaviour are the greatest uncertainty factors for the business related to the COVID-19 pandemic. Fluctuations in the currency market also have an effect. Furthermore, we must add that the retail sector is already undergoing extensive change. The underlying structural change in the retail sector will require a great deal of flexibility, sensitivity and continued upgrading of the business model.

To take the next step of delivering on the long-term goals, particular focus over the next year will be directed to selected areas with clear growth potential. Work will initially be conducted on continuing to strengthen selected product categories. The solutions implemented for organising homes and the new offering for DIY projects have generated positive results. Growing online shopping will also be leveraged further where even more can be done to create a truly first-rate customer experience. Furthermore, a larger share of expected traffic growth will be captured, both in stores and online, using relevant and tailored customer communication.

Investments

Investments during the financial year amounted to 228 MSEK (231). Of this amount, investments in new or refurbished stores accounted for 60 MSEK (42). Investments in IT systems for the period amounted to 83 MSEK (143). Other investments pertained primarily to further development and automation of the company's distribution systems, mainly linked to growing needs for rapid deliveries. The shares in Mathem were measured at fair value amounting to 306 MSEK, an increase of 53 MSEK during the financial year.



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

DIRECTORS' REPORT

Financing and liquidity

Cash flow from operating activities for the financial year amounted to 1,288 MSEK (1,284). Cash flow for the period after investing and financing activities was 454 MSEK (-20). Excluding the effect of IFRS 16, cash flow from operating activities amounted to 749 MSEK (817).

The average 12-month value of inventories was 1,731 MSEK (1,968). Over a rolling 12-month period, the stock turnover rate at the distribution centre was 5.8 times (5.6).

At the end of the period, the value of inventories was 1,832 MSEK (1,811). As of 30 April, the effects of COVID-19 had not had any significant impact on the total inventory value.

The Group's net debt at the end of the period, meaning interest-bearing liabilities less cash and cash equivalents, amounted to 1,508 MSEK (2,183). Excluding the effect of IFRS 16, the Group had net cash holdings of 534 MSEK (13). Liquidity was not impacted by COVID-19 relief for the postponement of VAT and tax payments. Excluding the effect of IFRS 16, net debt in relation to EBITDA was -0.7 times (0.0), which is in accordance with the company's financial framework. Credits granted and loan commitments amounted to 1,100 MSEK, of which 0 MSEK had been utilised at the end of the period. The company's financial position remains strong. The equity/assets ratio was 36 per cent (31). Excluding the effect of IFRS 16, the equity/assets ratio amounted to 55 per cent (51).

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 2021, the company had a total of 38,341* shareholders, compared with 38,504 on 30 April 2020. The 15 largest shareholders at that time held 59 per cent of the capital and 77 per cent of the votes. For a summary, see page 117.

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 76, 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, unchanged compared with the preceding year. On 30 April 2021, the company held 2,254,583 shares (2,262,553) corresponding to 3 per cent (3) of the total number of registered shares. At the end of the period, the number of shares outstanding, net after buyback, was 63,345,417 (63,337,447). The entire LTI 2020 undertaking has been secured by using shares that were bought back to secure previous LTI plans where the need has been recalculated (no buy-back in the preceding year).

Employees

The number of employees in the Group was approximately 4,500. Recalculated to average full-time equivalents (FTEs), this corresponds to an average of 3,013 (2,987). 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 18-19. The company also assumes its social responsibility as regards the rights of children, for example, through its partnerships with Save the Children, 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 El-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 (elec-

tronics and batteries) and Rinki (packaging), and in the UK with Valpak, which assists in the reporting of packaging, electronics and batteries.

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 sustainable products (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. We have reported our emissions according to the GHG Protocol of the Carbon Disclosure Project since 2015 and improved our score from C to B. We have reported under Scope 1 and 2 (our own operations) and parts of Scope 3 (transportation, business travel) and waste and upstream emissions from fuel for electricity, heating and vehicles). We reduced our GHG emissions under Scope 1 and 2 by 3.6 per cent during the financial year. This year, Clas Ohlson embarked on its journey to quantify other GHG emissions (Scope 3) in its value chain and set the target that Clas Ohlson's entire value chain is to be climate neutral by 2045 (Scope 1-3).

Sustainability work covers all areas of activity and is presented on pages 11-33. See also the sustainability report on pages 96-112.

Guidelines for remuneration of senior executives

The following principles were adopted at the most recent Annual General Meeting (AGM). These principles were updated to comply with the amendments to the

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

DIRECTORS' REPORT

Swedish Companies Act. The general principles of remuneration of senior executives 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 executives 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. 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 employee develops his/her 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 salary (Short Term Incentive, STI)

In addition to basic salary, senior executives 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 plan 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 plan may also be combined with requirements for a minimum holding of shares.

Long-term incentive, LTI

The objective of LTI programmes is to generate conditions 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 plans that entitle employees to acquire share are subject to AGM approval. The performance period for LTI 2018, LTI 2019 and LTI 2020 were in effect during the financial year. The performance period for LTI 2018 was concluded after the close of the financial year. All incentive plans are share matching and profit-based employee stock option plans. The Board of Directors annually evaluates whether long-term incentive plans 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 executive is employed.

Other benefits

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

Period of notice and severance pay

Senior executives will be offered terms in accordance with the legislation and practices applicable to the country in which the person concerned is employed. A senior executive 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 will be able to depart from these guidelines if there are special reasons for doing so. In the event of a major deviation, the shareholders will be informed of the reasons for this at the next AGM. For more information about remuneration, see Note 6.

Parent Company

Parent Company sales for the financial year amounted to 6,696 MSEK (6,959) and profit after financial items totalled 681 MSEK (234). Investments for the period amounted to 172 MSEK (196). Contingent liabilities for the Parent Company amounted to 192 MSEK (189).

Events after the end of the year

The qualification and performance periods for the LTI 2018 long-term incentive plan ran from 1 May 2018 until 30 April 2021. After the end of the reporting period, a total of 5,916 shares were allotted on 3 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 2018–2021 were not achieved, meaning that no options were allotted to the participants and, accordingly, the LTI 2018 has been concluded.

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 6.25 per share be paid for the 2020/21 financial year, distributed between two payment dates. Due to technical limitations entailing that in this case payment cannot be made in equal amounts for each payment date, it is proposed that the first payment amount to SEK 3.13 per share and the second payment to SEK 3.12 per share. It is proposed that payment be made in September and January. The proposed dividend totals 410 MSEK, which represents 97 per cent of profit after tax for the financial year.

Proposed allocation of earnings

The following earnings (SEK 000s) are at the disposal of the Annual General Meeting:

Profit brought forward	392,373
Net profit for the year	619,539
Total	1,011,912

The Board and Chief Executive Officer propose:

Dividend payable to shareholders 6.25 SEK per share	410,000 ¹
To be carried forward	601,912
Total	1,011,912

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

The proposed record date for the first payment is 14 September 2021 and the proposed record date for the second payment is 11 January 2022. It is anticipated that the dividend resolved by the AGM will be distributed on 17 September 2021 and 14 January 2022.

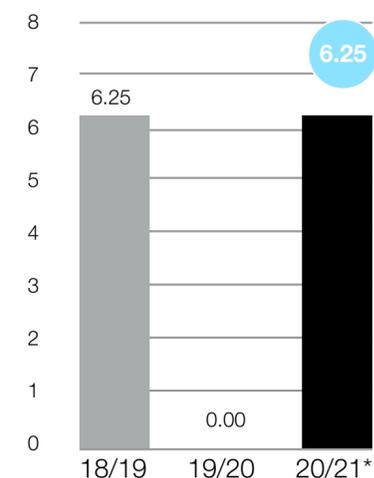
With reference to the information presented above and what has otherwise come to the knowledge of the Board, the view of the Board is as follows: A comprehensive assessment of the financial position of the Parent Company and Group indicates that the dividend is justifiable with reference to the demands 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 36 per cent (55 excl. IFRS 16) before payment of the dividend and 31 per cent (50 excl. IFRS 16) 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

Due to the prevailing situation and uncertainty surrounding COVID-19, the Board intends to convene an Annual General Meeting (AGM) to be held exclusively by postal voting in accordance with the Swedish Act on Temporary Exemptions to Facilitate the Execution of General Meetings in Companies and Associations (2020:198). This means that shareholders will be unable to physically attend the Meeting venue and that shareholders can only exercise voting rights by post in advance of the Meeting. More information will be provided in the notice of the AGM. As previously announced, the AGM will be held on 10 September 2021. For more information, refer to <https://about.clasohlson.com/en/corporate-governance/agm/annual-general-meeting-2021/>

Dividend per share



* Proposed dividend



RISKS AND UNCERTAINTIES

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.

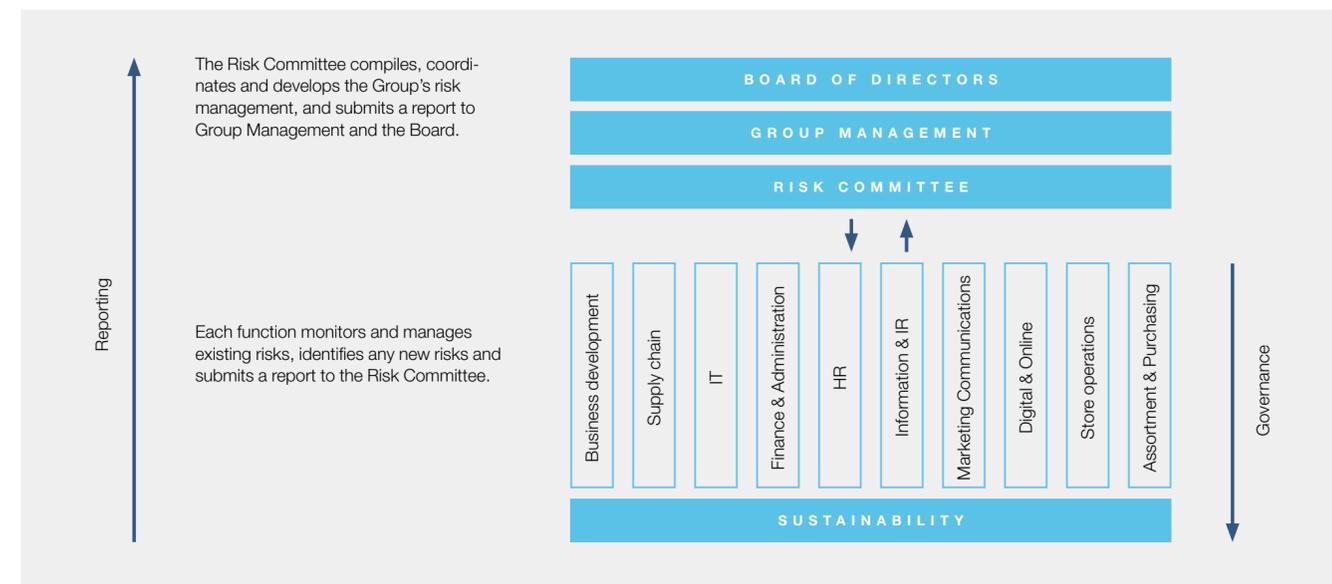
Strategic, operational, including sustainability risks and financial risks impact our opportunities for achieving our strategic and business-related goals. Creating awareness of the risks in the operations means they can be controlled, limited and managed correctly and thus converted into a strategic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

ed. 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 function 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 coronavirus, and the resulting macroeconomic effects, on the Group's operations have led to a need to continuously follow up and analyse the Group's risk status.

Risk management



RISKS AND UNCERTAINTIES

Risk map (example)



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. Our operations are impacted by rapid changes, and these efforts remain a high priority as the company continues to grow and develop.

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, global trends such as global risks that the company cannot control: war, disasters, pandemics, etc. and 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 employees, leases, shrinkage and regulatory risks.

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 usually 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

The company'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 employees, owners, customers and other stakeholders have in our operations, impact our market position, disrupt production and deliveries, result in unforeseen costs and cause violations of the law. Identifying environmental, social, human rights and anti-corruption risks is an integral part of our sustainability initiatives, and systematic risk management is integrated into our operations.

Sustainability is an integral part of the business model and governance. The foundation of this work is the company's Code of Conduct and ethical guidelines. In autumn 2020, Clas Ohlson launched the company's new sustainability strategy to reduce sustainability risks and raise the level of ambition, and thereby the company's competitiveness.

Risk management COVID-19

The spread of coronavirus and the effects on society are monitored continuously and proactive steps are taken to adapt the operations to the prevailing conditions. Regulatory measures and country-specific recommendations are being closely followed, mainly in our home markets, but also globally to maintain supply chain continuity. Risks related to COVID-19 are integrated with reports on other risks provided to the Board. The Group implemented a number of layoffs during the financial year related to store closures and also temporarily reviewed currency hedging.

Sensitivity analysis

Currency	Change, %	Impact on profit before tax, MSEK
NOK	+/- 5	+/- 107
USD	+/- 5	-/+ 63
HKD	+/- 5	-/+ 2
EUR	+/- 5	-/+ 8
GBP	+/- 5	+/- 0

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 4 May 2020, the exchange rate for USD was 9.91. Overall, the exchange rate weakened during the year. It was noted at 8.38 SEK on 30 April 2021, down 15 per cent. The highest exchange rate was SEK 9.91 noted in May 2020, while the lowest exchange rate was 8.19 SEK noted in January 2021.

Monthly average, NOK/SEK



The graph shows the trend for the NOK/SEK currency pair. At the beginning of the financial year, on 4 May 2020, the exchange rate for NOK was 0.95. The NOK strengthened against the SEK during the financial year. It was noted at 1.02 SEK on 30 April 2021, up 7 per cent. The highest exchange rate was 1.02 SEK noted in March 2021, while the lowest exchange rate was 0.93 SEK noted in November 2020.

RISKS AND UNCERTAINTIES

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. Online traffic is increasing sharply, at the cost of foot fall in physical stores.</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 our digital platform and on developing our product range and our service offering. We also enter into partnerships with others to develop a relevant, competitive and sustainable customer offering that inspires and helps our 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 our capacity to interact with customers through digital channels to further improve our availability and service level.</p> <p>Digitalisation provides us 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 are also working 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 we conduct operations. We are developing our customer offering, our 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 40 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. We have our own audit teams in China and engage third parties in other countries to conduct inspections and monitor compliance with the requirements of our 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. Purchase functions were established in Poland and Vietnam during the financial year.</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.</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>

RISKS AND UNCERTAINTIES

Financial risks

RISK	DESCRIPTION	RISK MANAGEMENT
ECONOMIC CLIMATE	<p>The retail market in general is adversely affected by a weak economy and although Clas Ohlson sells products for everyday use, a weak retail market will have a negative impact on sales.</p> <p>The risk remains that the effects of the COVID-19 pandemic will continue to have consequences in the future.</p>	<p>Clas Ohlson's broad and affordable product range is less sensitive to cyclical fluctuations compared with many other competitors.</p> <p>Clas Ohlson's offering entails a lower risk since demand in one product category could rise while demand in another falls.</p>
CURRENCIES	<p>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). Movement of the SEK against the Norwegian krone (NOK) is also important for the Group, since Norway accounts for approximately 40 per cent of sales. Net exposure to EUR is low, since the company brings in currency through sales in the Finnish and German markets. The Group is also exposed to the pound sterling (GBP) via sales in the UK. The table on page 79 shows how profit is affected by changes in principal currencies, excluding hedging.</p> <p>The risk of greater market volatility related to the COVID-19 pandemic remains.</p>	<p>Futures hedging is usually performed monthly in NOK and USD, 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 purchases, but also acquires the opportunity/risk of paying for the remaining purchases at the current rate.</p> <p>The effects of the pandemic are being continuously monitored. Individual decisions to use currency forwards have been considered and assessed in order to manage the increasing market volatility.</p>
TRANSPORTATION COSTS	<p>Freight shipping prices can vary considerably depending on the global market price, and currency fluctuations. The effects of COVID-19 and transport disruptions could materially impact transport costs since prices are influenced by the supply and demand for containers.</p>	<p>Clas Ohlson handles changes in freight shipping prices by actively monitoring and assessing the market. We endeavour to optimise the fill rate by increasing the consolidation of goods.</p>
RAW MATERIAL PRICES	<p>Purchase prices for the company's products are largely determined by the price of individual raw materials in global markets. This applies particularly to cables and electronics (copper), batteries (zinc), lighting (aluminium) and plastic products (oil). Hedging against raw material prices is not carried out directly by the company. This entails a risk since the purchase price of the products concerned is affected by price trends for raw materials.</p>	<p>Clas Ohlson has a broad portfolio of products and is therefore less impacted by changes to a specific raw material.</p> <p>Some of Clas Ohlson's suppliers purchase commodities/materials at fixed contract prices, which entails some indirect hedging.</p>
WAGE INFLATION	<p>Clas Ohlson is affected by wage-level changes in countries where the company's products are manufactured. This can vary between products depending on how much labour is involved in the manufacturing process.</p>	<p>Clas Ohlson works continuously to find new purchasing markets, both in Europe and Asia.</p>
FINANCING AND LIQUIDITY	<p>The company's liquidity follows the given structure for seasonal payments, resulting in lower levels of liquidity in the autumn in connection with stock build-up for Christmas shopping and dividend payment.</p>	<p>The cash flow is continuously controlled and balanced to the set goals through sales, purchasing, costs, capital balance, etc. Macroeconomic trends and their impact on the retail sector as a result of COVID-19 remain uncertain. The Board and the AGM chose to safeguard Clas Ohlson's solid financial position and flexibility. The AGM on 12 September adopted the Board's proposal to pay no dividend for the 2019/20 financial year.</p>

Sustainability risks

RISK	DESCRIPTION	RISK MANAGEMENT
RAW MATERIALS	<p>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.</p>	<p>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. In this context, we are striving to increase the use of recycled materials and to try out recycling opportunities, for example, designing products so that more materials can be separated. These measures will be specified in the framework of implementing the sustainability strategy.</p>
EMISSIONS	<p>Carbon emissions from the operations risk contributing to global warming above regulatory limits and those of the Paris Agreement.</p> <p>Carbon emissions from the operations arise from, for example, the manufacturing of products, transportation, energy use in stores, offices, warehouses and premises, business travel and electricity consumption from the use of our products.</p> <p>Excessively high 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 as a result of higher sea levels, extreme weather conditions and thus increased costs. It can also result in a damaged reputation among our stakeholders and have regulatory consequences in the event of non-compliance.</p>	<p>Clas Ohlson works continuously to adapt and develop its product range to help customers live more sustainably. Greater focus has started to be directed to investments in energy-efficient products. The offering of products and services that promote a circular economy is increasing, and the company is phasing out less sustainable products or entire product categories.</p> <p>Clas Ohlson is also ensuring energy-efficient stores, offices, warehouses and premises, and is replacing fossil-based materials with more sustainable alternatives.</p> <p>Active measures are being taken to increase the fill rate of goods transportation by consolidating goods and adapting to more sustainable logistics systems (including last mile deliveries).</p> <p>To enhance understanding of the measures that need to be prioritised, more resources are being allocated to data collection and calculating carbon emissions.</p>
CHEMICALS	<p>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.</p> <p>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.</p>	<p>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.</p>
END-OF-LIFE PRODUCTS	<p>If Clas Ohlson's customers use our 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.</p> <p>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.</p>	<p>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 and facilitating recycling.</p> <p>Clas Ohlson offers spare parts and solutions for repairing and extending product service lives and offer multi-use products and hiring and sharing services that reduce waste. Customers are also offered a number of initiatives and solutions to facilitate collection, reuse and recycling.</p>

RISKS AND UNCERTAINTIES

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. The geographic location of the main office and large parts of our operations at Insjön could also result in difficulties in recruiting employees with the right expertise.</p> <p>If Clas Ohlson is not perceived to be a relevant employer brand, and if we cannot safeguard talent, offer employees the right skills development in digital work processes for example, 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 we do not reflect or optimise customer interaction. There is also the risk that the company's reputation is damaged if there are shortcomings in its diversity 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. Clas Ohlson has a strong brand as an employer, although certain skills are difficult to find outside the metropolitan areas in the Nordics. A new office was opened in Malmö during the financial year, and one of its aim is to broaden the recruitment base.</p> <p>New work processes have been implemented and impact most employees. We have recruited digital expertise in recent years. At the same time, Clas Ohlson is carrying out development and training activities with a teaching platform and structured employee appraisals. Broad training in the digital arena is offered to all employees and updated digital sustainability training courses were offered to all co-workers during the year.</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 our suppliers. We also work on additional action to promote children's rights both in our supply chain and in our 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.</p> <p>The company's starting point is to follow laws, regulations and recommendations. We also have constructive dialogue with employee representatives and safety officers to work on improving health and safety activities according to a long-term plan.</p>

RISK	DESCRIPTION	RISK MANAGEMENT
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>We apply an information security policy that we adopt every year and process personal data in accordance with applicable legislation and our 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 implemented an external anonymous whistleblowing service. Furthermore, senior executives, employees who work with purchasing, high-value contracts, and agents in Asia are trained in business ethics.</p>



Chairman's letter

Countering the consequences of the pandemic was naturally high on the Board's agenda in the past financial year, but I am proud that at the same time we succeeded in maintaining steady progress with the change process we have initiated for the company.

I am also proud to serve as Chairman in a company with such dedicated and highly skilled co-workers who have displayed an amazing ability to quickly adapt, deliver customer value and plan for the future despite having limited information to follow. Given the turbulent situation throughout the financial year, we as a company also needed to make quick decisions about when to keep control of costs and when to accelerate. Based on our strong earnings and continuing stable financial position, I can conclude that we were successful in striking the right balance. This proves that the changes we have carried out, and are continuing to implement, has created a solid foundation even when times are challenging,

and that we have a corporate culture with a strong desire to find the best solution for customers.

The entire Board worked very closely, holding a total of 17 meetings during the year, all of which were virtual. Despite working remotely, my feeling is that we worked very closely with company management and experienced a constructive and flexible collaborative atmosphere. By adding more digital and customer-related skills to the Board, we have a good mix of experience and excellent preconditions for supporting the entire organisation in making Clas Ohlson even stronger in both the short and long term. A particularly important task

during the year was finding a new leader for Clas Ohlson, and I was delighted to welcome Kristofer Tonström as our new President and CEO in February. We reached another milestone in the autumn when we adopted a new ambitious sustainability agenda for the company. The fact that we were able to do this while managing all of the different effects of the pandemic is, in my opinion, a prime example of how we were successful in retaining our focus on more long-term issues despite facing many short-term challenges.

Overall, we have overcome a challenging year that has given us a firm basis for adopting a forward-thinking approach and developing the company for the future, which the Board and I will contribute to by capitalising on opportunities presented to the company and balancing them against various types of financial and legal risks. Our corporate governance, based on such international norms as the UN Global Compact's ten principles in the areas of human rights, labour, environment and anti-corruption, provides guidance for us in this work. This is also reflected in our policies, guidelines and how we build relationships with our stakeholders.

Finally, on behalf of the entire Board I would like to thank our co-workers, customers and owners for the past year. As we look ahead, we do so from a position of strength after having tackled major challenges and proven that the company is both stable and agile. This reinforces my conviction that Clas Ohlson not only has a rich history but also has a successful future ahead in which we will create value both for customers and owners.



Kenneth Bengtsson
Chairman of the Board
Insjön, June 2021

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.

The 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 since the initial public offering in 1999, has always been held in Insjön on a Saturday in early September – this was a tradition until 2020 when the COVID-19 pandemic meant that physical meetings could not be held safely. 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 on the fifth day prior to the AGM and registered in time

are entitled to participate. Registration can be made by telephone, e-mail, letter or the company'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 2021, the company's largest shareholders, each representing at least 10 per cent of the votes, were Helena Ek Tidstrand (16.9 per cent), Johan Tidstrand (12.4 per cent), Peter Haid (11.8 per cent) and through their companies Mathias Haid and Charlotte Haid Bondergaard (12.6 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 2021 AGM

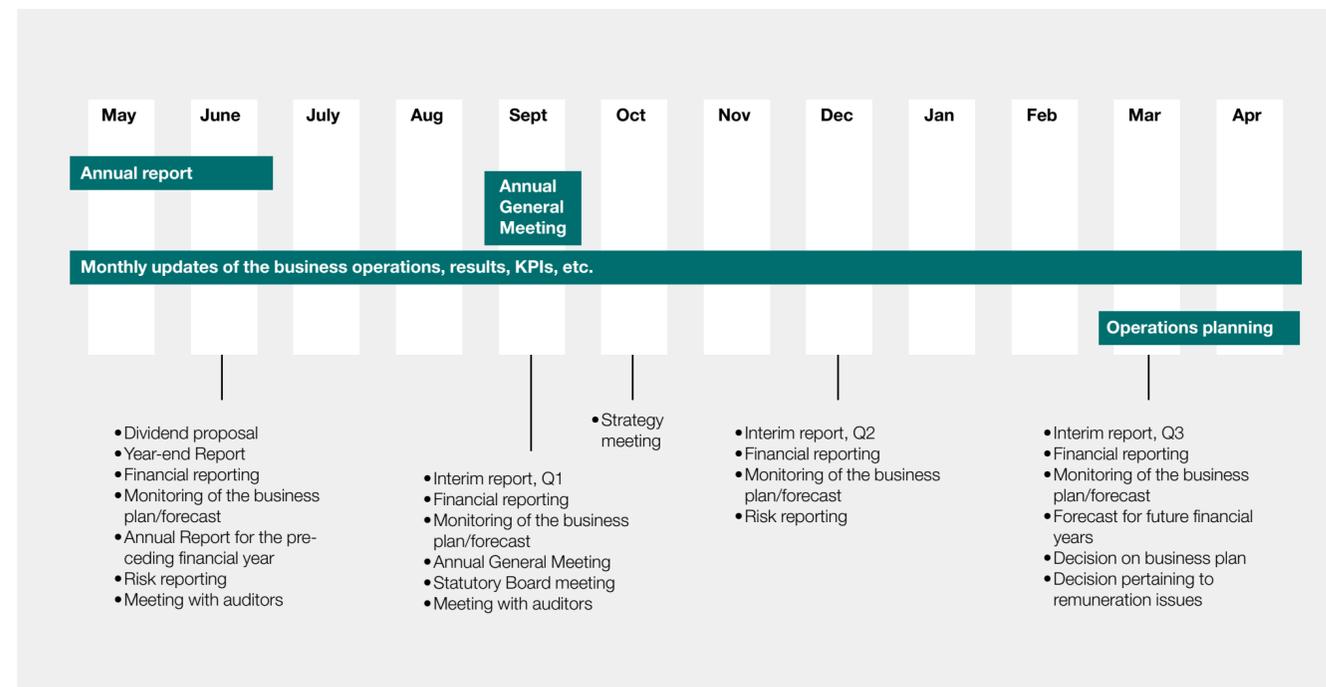
Prior to the AGM held on 10 September 2021, Clas Ohlson's Nomination Committee comprised the following members: Malin Persson, Chairman of the Nomination Committee representing the owner-family Haid, Göran Sundström, representing the owner-family Tidstrand, Ricard Wennerklint, representing If Skadeförsäkring AB, Erik Durhan, 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 at 30 September 2020. The Nomination Committee represents slightly more than 71 per cent of the total number of company 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.

CORPORATE GOVERNANCE

The Board's working schedule



Particular emphasis was placed on the company's strategies and targets, as well as on the demands that the company'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 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, the Committee was in discussions and remained in informal contact, and one meeting 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 10 June 2021.

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	2013	Yes	17/17 ⁴		5/5 ⁴	3/3
MATHIAS HAID ⁷	2015	Yes ⁵ /No ⁶	17/17		5/5	
MENGMENG DU ⁸	2020	Yes	8/17			
GÖRAN SUNDSTRÖM ⁷	2014	Yes ⁵ /No ⁶	17/17	9/9 ⁴		3/3
ANNE THORSTVEDT SJÖBERG	2017	Yes	16/17			
CHARLOTTE STRÖMBERG	2017	Yes	17/17	8/9		
PATRIK HOFBAUER ⁸	2020	Yes	7/17		3/5	
HÅKAN LUNDSTEDT	2018	Yes	16/17	8/9		
GÖRAN NÄSHOLM ⁸	2015	Yes	8/17		2/5	
MARGARETA LEHMANN ⁸	2018	Yes	8/17			

¹ The trade-union organisations have had four representatives on the Board. For further information on Board members, see pages 52-53. The work of the Board and its committees is described on page 49.

² For information on date of birth, work experience, directorships and shareholdings, see pages 52-53.

³ Remuneration of Board members is stated in Note 6, see page 73.

⁴ Chairman.

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

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

⁷ Representative of or major shareholder, see page 117.

⁸ Mengmeng Du and Patrik Hofbauer were elected to the Board at the 2020 AGM. Margareta Lehmann and Göran Näsholm had declined re-election.

Auditors

The AGM appoints auditors for the Parent Company each year. The AGM held on 12 September 2020 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 2021 AGM.

Payment for audit engagements in the Group in the past three years totalled 2.0 MSEK, 2.3 MSEK and 2.3 MSEK, respectively. Payment for other assignments in the past three years totalled 0.2 MSEK, 0.9 MSEK and 0.4 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 members, the Board includes two representatives and two deputies for the trade-union organisations in the company. These individuals are elected by their own organisations.

CORPORATE GOVERNANCE

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 that 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). Mengmeng Du and Patrik Hofbauer were elected to the Board at the 2020 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.

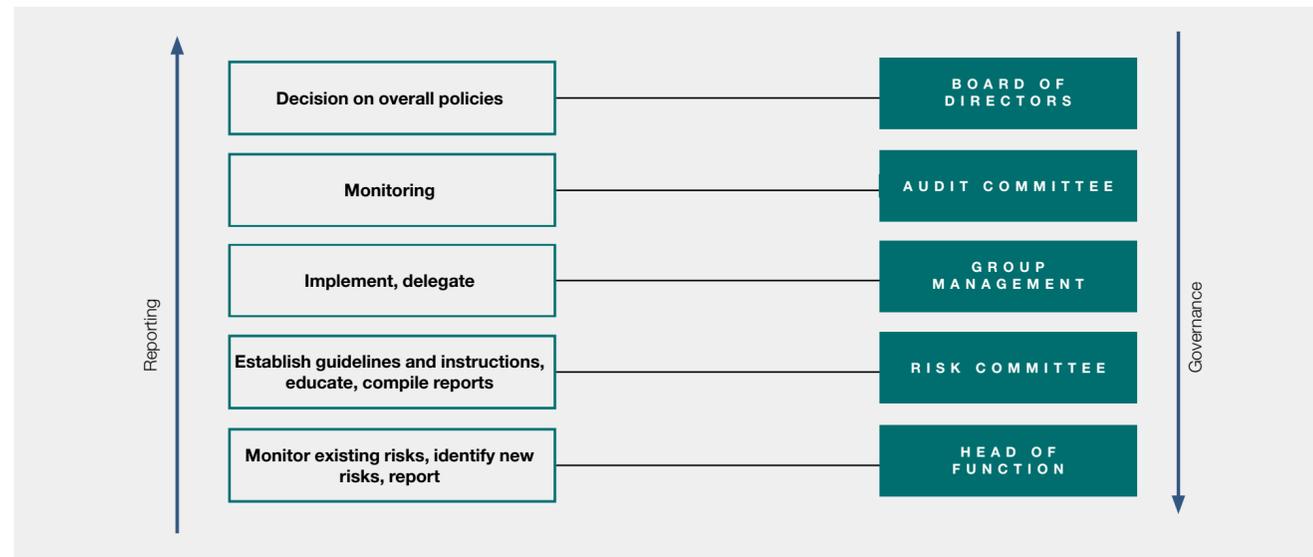
The work of the Board's committees is an important element of the Board's work. The Board has prepared instructions for the committees' work. The People Committee and Audit Committee discuss issues that fall within the committees' remit. Issues that have been addressed in the committee meetings are minuted 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

Risk management



Lundstedt. The Board has issued instructions for the committee 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 is passed to the Nomination Committee on the outcome.

The Audit Committee held nine meetings during the financial year. Attendance is shown in the table on page 48. 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 executives. The Code also stipulates that the Board is to establish a remuneration committee, which at Clas Ohlson is called the People Committee.

CORPORATE GOVERNANCE

The Clas Ohlson Board decided at its statutory meeting in September 2020 that the People Committee was to comprise Kenneth Bengtsson (Chairman), Patrik Hofbauer and Mathias Haid. The Board has issued instructions for the committee work.

The People Committee submits proposals for guidelines pertaining to basic salary and variable remuneration for senior executives. The process regarding variable remuneration for all employees works in a similar way. The Committee met five times during the financial year. Attendance is shown in the table on page 48. 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 plan (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 monthly 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 Ltd in the UK, Clas Ohlson GmbH in Germany and Clas Ohlson Ltd (Shanghai) in China 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 subsidiaries through the CEO's monthly reports on the subsidiaries. These reports also include the results of operations and financial position of the company concerned.

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

The Clas Ohlson spirit encapsulates how we treat each

other and our customers and it has in essence been the same since the company was founded in 1918. Read more about the Clas Ohlson spirit on pages 11 and 27.

Remuneration principles

The general principles of remuneration for senior executives 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 executives 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 3.67 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, 0.8 MSEK was paid to the Chairman of the Board. No remuneration is paid to members of the Nomination Committee. Read more on page 73, 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 remunera-

tion, pension and severance pay for the CEO is presented on pages 73-76, Note 6.

The 2020 AGM decided on guidelines for remuneration of senior executives pertaining to the 2020/21 financial year, based on the Board's proposal. These guidelines cover basic salary, variable remuneration, pension benefits and other benefits. For information on the complete decided guidelines on remuneration, pension and severance pay, see Note 6, pages 73-76.

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 41-45.

Sustainability

For Clas Ohlson, it is important to protect and assume responsibility for people and the environment impacted

CORPORATE GOVERNANCE

by our operation. Our sustainability agenda is an integrated part of Clas Ohlson's operation and is described under each area, on pages 16, 18-33. See also the sustainability report on pages 96-112.

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 Organisations 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 organ-

isational 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. Work is continuously in progress to evaluate the most essential processes in the Group. 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

Group management and the Audit Committee regularly report to the Board on the basis of established procedures. The Board receives regular information from the CEO every month through a monthly report for the Group. This monthly report also contains information on the results and financial positions 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 Diaverum, Ersta diakoni, Lyko, Envirotainer AB, Mio AB and World Childhood Foundation. Board member of Herenco and Synsam.

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

Own and closely associated holdings*: 67,000 series B shares.



Mengmeng Du

Board member since 2020.
Master of Business Administration, Stockholm School of Economics Master of Science in Data Technology, Royal Institute of Technology.
Born in 1980.

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

Other significant directorships: Board member of Netonnet AB, Saminvest AB, Swappie Oy and Dometic Group AB.

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

Own and closely associated holdings*: 0



Mathias Haid

Board member since 2015.
Born in 1970.

Professional experience: Pilot at Lufthansa Cargo AG, training officer at Lufthansa's airline operations and several senior positions in Lufthansa's airline operations since 1995. Member of the Board of Clas Ohlson AS and Clas Ohlson Oy 2002-2005.

Other significant directorships: Board member of 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.
IHM Business School, Diploma Marketing management and Master.
Born in 1968.

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

Other significant directorships: Chairman of the Board of the Swedish Gambling Association, Board member of NHST Media Group. 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*: 3,500 series B shares.



Håkan Lundstedt

Board member since 2018.
Born in 1966.

Professional experience: CEO and managing director of Synsam and has previously been the CEO of Mekonomen and Lantmännen, and held a number of senior roles with Orkla.

Other significant directorships: Board member of Rizzo Group.

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.
Master of Business Administration, Stockholm School of Economics.
Born in 1959.

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, Lindégruppen AB and member of the Swedish Securities Council and Founding Partner DHS Venture.

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 2021.

BOARD OF DIRECTORS



Göran Sundström

Board member since 2014.
Master of Business Administration, Lund University.
Born in 1962.

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: Chairman of the Board of Logitall AB and 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*: 4,000 series B shares.



Anne Thorstvedt Sjöberg

Board member since 2017.
Master of Business Administration, University of Gothenburg.
Born in 1965.

Professional experience: Many years of international experience of strategy and business development, market expansion, customer insight, data analytics and business development in multinational companies such as Mondelez International, Kraft Foods and Procter & Gamble. Global Vice President Marketing, Insights & Analytics at Electrolux AB.

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.



Lasse Zwetsloot

Employee representative Handels.
Board member since 2012.
Employed in 2007.
Born in 1976.

Own and closely associated holdings*: 1,601 series B shares.



Caroline Östning

Employee representative Unionen.
Board member since 2018.
Employed in 2004.
Born in 1978.

Own and closely associated holdings*: 0.



Freja Aleman

Deputy employee representative Handels.
Board member since 2018.
Employed in 2012.
Born in 1979.

Own and closely associated holdings*: 0.



Emma Zetterqvist

Deputy employee representative Handels.
Board member since 2019.
Employed in 2016.
Born in 1995.

Own and closely associated holdings*: 0.

* Own and closely associated holdings per 30 June 2021.

Group management



Kristofer Tonström

President and CEO
Employed in 2021.
Born in 1979.

MSc in Business and Economics, University of Gothenburg.

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

Other significant directorships: Board member of Karo Pharma AB and Board member of the Swedish Trade Federation.

Own and closely associated holdings*: 11,871 series B shares.



Peder Apelgren

Chief Digital Officer
Employed in 2019.
Born in 1971.

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*: 1,996 series B shares.



Eva Berg

Director of Purchasing and Product development
Employed in 2010.
Born in 1965.

Swedish School of Textiles Borås, Köpmannainstitutet Stockholm.

Professional experience: Assortment Manager Clas Ohlson, Category Manager Clas Ohlson, Production office manager H&M Hong Kong and other leading positions at H&M.

Own and closely associated holdings*: 4,424 series B shares.



Pär Christiansen

CFO
Employed in 2018.
Born in 1973.

MSc in Engineering, Faculty of engineering, LTH, BSc in Business administration and Economics, Lund University.

Professional experience: CFO at Gant and several leading positions at Transcom, MTR and SAS.

Own and closely associated holdings*: 12,918 series B shares.

* Own and closely associated holdings per 30 June 2021.

GROUP MANAGEMENT



Tina Englyst

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

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

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

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

Own and closely associated holdings*: 8,899 series B shares.



Lene Iren Oen

Head of E-commerce
Employed in 2019.
Born in 1977.

Market economist, BI Norwegian Business School.

Professional experience: Commercial Manager Clas Ohlson Norway, Commercial Director Komplet AS, Managing Director Blush AS.

Other significant directorships: Board member of the Norwegian Federation of Service Industries and Retail Trade.

Own and closely associated holdings*: 0 series B shares.



Johannes Åverling

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

MSc in Business and Economics, 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*: 1,111 series B shares.

Stine Trygg-Hauger, Chief Commercial Officer, left the Group after the end of the financial year. It was announced on 7 June 2021 that Tim Heldmann had been recruited as Chief Marketing Officer. He will take office in August 2021.

* Own and closely associated holdings per 30 June 2021.

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Group

Consolidated income statement

MSEK	Note	200501-210430	190501-200430
	1, 2		
Sales		8,284.4	8,758.3
Cost of goods sold	4, 5, 6	-4,928.6	-5,268.1
Gross profit		3,355.8	3,490.2
Selling expenses	4, 5, 6	-2,547.5	-2,720.0
Administrative expenses	4, 5, 6, 7	-195.2	-220.8
Other operating income	3	7.1	25.8
Other operating expenses	3	-12.1	-25.9
Operating profit		608.2	549.2
<i>Financial items</i>			
Financial income	8	0.3	0.1
Financial expenses	8	-63.6	-67.6
Profit before tax		544.9	481.8
Income tax	9	-123.6	-105.8
Profit for the year		421.3	375.9
Number of shares at the end of the period, millions		63.3	63.3
Earnings per share before dilution, SEK	10	6.65	5.94
Earnings per share after dilution, SEK	10	6.65	5.94
Proposed dividend per share, SEK	11	6.25	-

Consolidated statement of comprehensive income

MSEK	200501-210430	190501-200430
Profit for the year	421.3	375.9
Other comprehensive income, net after tax:		
Items that can later be reversed in the consolidated income statement:		
Exchange rate differences	18.0	-52.9
Cash flow hedging	-60.6	34.9
Total	-42.5	-18.0
Items that cannot later be reversed in the consolidated income statement:		
Change in fair value of financial assets	53.5	0.0
Total	53.5	0.0
Total other comprehensive income, net of tax	11.0	-18.0
Total other comprehensive income for the year	432.3	357.9

(Of the above profits 421.7 MSEK is attributable to owners of the Parent and -0.3 MSEK is attributable to the minority. Of the above Comprehensive income 432.6 MSEK is attributable to owners of the parent and -0.3 MSEK attributable to the minority.)

Group

Consolidated balance sheet

MSEK	Note	21-04-30	20-04-30
Assets			
Non-current assets	12		
<i>Intangible assets</i>			
IT and software costs		538.3	543.2
Total intangible assets		538.3	543.2
<i>Tangible assets</i>			
Land and buildings		302.8	329.8
Equipment, tools, fixtures and fittings		484.1	450.8
Right-of-use assets	30	1,915.0	2,059.9
Total tangible assets		2,701.8	2,840.5
<i>Other financial assets</i>			
Securities held as fixed assets	12, 25	305.8	252.3
Total other financial assets		305.8	252.3
<i>Non-current receivables</i>			
Deferred tax assets	9, 30	72.2	71.4
Other non-current receivables	19, 20	37.1	4.0
Total non-current receivables		109.4	75.4
<i>Current assets</i>			
Inventories	13	1,831.7	1,811.2
Accounts receivable	14	57.7	49.9
Tax assets	9	2.3	28.4
Other receivables	20	6.5	6.0
Prepaid expenses and accrued income	15, 17, 30	40.0	95.5
Cash and cash equivalents	16	533.8	80.1
Total current assets		2,472.1	2,071.0
Total assets		6,127.4	5,782.4

Consolidated balance sheet

MSEK	Note	21-04-30	20-04-30
Equity and liabilities			
Equity	18		
<i>Capital and reserves attributable to Parent Company shareholders</i>			
Share capital, 65 600 000 shares with a quotient value of 1.25 SEK		82.0	82.0
Other contributed capital		90.4	90.4
Other reserves		-97.1	-54.6
Profit brought forward including profit for the year		2,114.3	1,639.0
Equity attributable to non-controlling interests		5.8	6.2
Total equity		2,195.2	1,763.1
<i>Non-current liabilities</i>			
Long-term lease liabilities	20, 30	1,542.7	1,672.5
Deferred tax liabilities	9	201.9	223.2
Other non-current liabilities		0.0	0.5
Other non-current provisions	22	8.1	8.4
Total non-current liabilities		1,752.7	1,904.6
<i>Current liabilities</i>			
Current lease liabilities	20, 30	498.8	523.7
Accounts payable	20	732.8	551.2
Tax liability	9	86.4	47.5
Other current liabilities	20	187.0	294.1
Current liabilities, interest-bearing	20	0.0	67.2
Accrued expenses and deferred income	17, 21	597.6	543.3
Other provisions	22	77.0	87.7
Total current liabilities		2,179.6	2,114.8
Total equity and liabilities		6,127.4	5,782.4

Group

Consolidated cash flow statement

MSEK	200501-210430	190501-200430
<i>Operating activities</i>		
Operating profit	608.2	549.2
<i>Adjustment for non-cash items</i>		
– depreciation	714.0	687.2
– loss from sale/disposal of non current assets	5.7	31.4
– other non-cash items	-1.6	-28.7
Interest received	0.2	0.1
Interest paid	-63.5	-67.7
Tax paid	-90.8	-68.9
Cash flow from operating activities before changes in working capital	1,172.3	1,102.7
<i>Cash flow from changes in working capital</i>		
– accounts receivable	-7.4	-12.7
– inventories	0.4	110.9
– other receivables	77.4	-6.5
– accounts payable	180.4	-83.4
– other current interest-free operating liabilities	-135.3	172.9
Cash flow from operating activities	1,287.8	1,283.9
<i>Investing activities</i>		
Investments in intangible assets	-82.6	-143.5
Investments in tangible assets	-145.7	-60.8
Investments in securities held as fixed assets	0.0	-27.0
Sale of equipment	0.4	0.3
Cash flow from investing activities	-227.9	-231.0

Consolidated cash flow statement

MSEK	200501-210430	190501-200430
<i>Financing activities</i>		
Change in current liabilities, interest-bearing	-67.2	-215.9
Repayment of lease liabilities	-538.3	-466.8
Change in longterm debt	0.0	-4.5
Sales of own shares	0.0	11.0
Change in longterm assets	-0.2	-1.6
Dividend to shareholders	0.0	-395.5
Cash flow from financing activities	-605.8	-1,073.2
Cash flow for the year	454.2	-20.3
Cash and cash equivalents at the start of the year	80.1	105.0
Exchange-rate differences in cash and cash equivalents	-0.4	-4.6
Cash and cash equivalents at the end of the year	533.8	80.1

Group

Consolidated statement of changes in equity (note 18)

MSEK	Share capital	Other contributed capital	Translation difference	Hedging reserve	Profit brought forward	Income attributable to non-controlling interest	Total
Opening balance at 1 May 2019	82.0	90.4	-39.3	2.7	1,804.9	6.6	1,947.3
Change in financial reporting standard IFRS 16	-	-	-	-	-160.6	-	-160.6
Opening balance at 1 May 2019 adjusted	82.0	90.4	-39.3	2.7	1,644.3	6.6	1,786.7
Comprehensive income							
Profit for the year	-	-	-	-	376.3	-0.4	375.9
Other comprehensive income							
Cash flow hedging after tax	-	-	-	34.9	-	-	34.9
Exchange rate differences	-	-	-52.9	-	-	-	-52.9
Remeasurement of defined-benefit pension obligations	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-52.9	34.9	-	-	-18.0
Total comprehensive income	-	-	-52.9	34.9	376.3	-0.4	357.9
Transactions with shareholders							
Sale of own shares	-	-	-	-	11.0	-	11.0
Employee stock options plan: value of employees' service	-	-	-	-	2.9	-	2.9
Change in share, attributable to controlling interests C/O Pegital Investment AB	-	-	-	-	-	-	-
Capital contribution from minority	-	-	-	-	-	-	-
Dividend	-	-	-	-	-395.5	-	-395.5
Total transactions with shareholders	-	-	-	-	-381.6	-	-381.6
Closing balance at 30 April 2020	82.0	90.4	-92.2	37.6	1,639.0	6.2	1,763.1

Consolidated statement of changes in equity (note 18)

MSEK	Share capital	Other contributed capital	Translation difference	Hedging reserve	Profit brought forward	Income attributable to non-controlling interest	Total
Opening balance at 1 May 2020	82.0	90.4	-92.2	37.6	1,639.0	6.2	1,763.1
Comprehensive income							
Profit for the year	-	-	-	-	421.7	-0.3	421.3
Other comprehensive income							
Cash flow hedging after tax	-	-	-	-60.6	-	-	-60.6
Exchange rate differences	-	-	18.0	-	-	-	18.0
Change in fair value of financial assets	-	-	-	-	53.5	-	53.5
Remeasurement of defined-benefit pension obligations	-	-	-	-	-	-	-
Total other comprehensive income	-	-	18.0	-60.6	53.5	-	11.0
Total comprehensive income	-	-	18.0	-60.6	475.2	-0.3	432.3
Transactions with shareholders							
Sale of own shares	-	-	-	-	-	-	-
Employee stock options plan: value of employees' service	-	-	-	-	0.1	-	0.1
Change in share, attributable to controlling interests C/O Pegital Investment AB	-	-	-	-	-	-	-
Capital contribution from minority	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-
Total transactions with shareholders	-	-	-	-	0.1	-	0.1
Closing balance at 30 April 2021	82.0	90.4	-74.2	-23.0	2,114.3	5.8	2,195.2

Parent company

Income statement

MSEK	Note	200501-210430	190501-200430
	1, 2		
Sales	23	6,696.3	6,958.8
Cost of goods sold	4,5,6	-4,793.1	-5,085.9
Gross profit		1,903.2	1,872.9
Selling expenses	4,5,6	-1,394.3	-1,457.0
Administrative expenses	4,5,6,7	-150.9	-177.0
Other operating income	3	7.1	25.5
Other operating expenses	3	-11.4	-25.9
Operating profit		353.7	238.6
<i>Financial items</i>			
Dividend from subsidiaries		329.5	0.0
Interest income	8	1.3	1.0
Interest expenses	8	-3.0	-5.5
Profit after financial items		681.4	234.1
Appropriations	26	22.2	-10.0
Profit before tax		703.6	224.1
Income tax	9	-84.1	-49.0
Profit for the year		619.5	175.1
Proposed dividend per share, SEK	11	6.25	-

Comprehensive income

MSEK	200501-210430	190501-200430
Profit for the year	619.5	175.1
Other comprehensive income, net after tax:		
Items that can later be reversed in the consolidated income statement:		
Change in fair value of financial assets	53.5	0.0
Profit/loss from hedging of net investments in foreign operations	0.0	-0.3
Other comprehensive income, net after tax	53.5	-0.3
Comprehensive income for the year	673.1	174.8

Parent company

Balance sheet

MSEK	Note	21-04-30	20-04-30
Assets			
<i>Non-current assets</i>			
<i>Intangible assets</i>			
IT and software costs	12	538.3	543.2
Total intangible assets		538.3	543.2
<i>Tangible assets</i>			
Land and buildings		302.8	329.8
Equipment, tools, fixtures and fittings		278.4	252.7
Total tangible assets		581.2	582.5
<i>Financial non-current assets</i>			
Deferred tax assets		4.2	3.4
Securities held as fixed assets	12, 20, 25	305.8	252.3
Non-current receivables	20	3.1	3.1
Participations in Group companies	24	39.3	39.3
Total financial non-current assets		352.5	298.1
Total non-current assets		1,471.9	1,423.8
<i>Current assets</i>			
<i>Inventories</i>			
Merchandise	13	1,332.9	1,310.5
Total inventories		1,332.9	1,310.5
<i>Current receivables</i>			
Accounts receivable	14, 20	34.3	23.9
Tax assets		0.0	28.4
Receivables from Group companies		78.7	0.0
Other receivables	20	0.6	4.7
Prepaid expenses and accrued income	15	77.9	56.7
Total current receivables		191.5	113.7
Cash and bank balances	20, 27	480.0	23.3
Total current assets		2,004.5	1,447.4
Total assets		3,476.4	2,871.2

Balance sheet

MSEK	Note	21-04-30	20-04-30
Equity and liabilities			
<i>Restricted equity</i>			
Share capital, 65 600 000 shares with a quotient value of 1.25	18	82.0	82.0
Statutory reserve		106.8	106.8
Development fund		30.5	27.8
Total restricted equity		219.3	216.6
<i>Non-restricted equity</i>			
Profit brought forward		392.3	166.3
Profit for the year		619.5	175.1
Total non-restricted equity		1,011.9	341.4
Total equity		1,231.2	558.0
Untaxed reserves			
<i>Provisions</i>			
Other provisions	20, 22	57.3	50.1
Total provisions		57.3	50.1
<i>Non-current liabilities</i>			
Other non-current liabilities		0.0	0.5
Total non-current liabilities		0.0	0.5
<i>Current liabilities</i>			
Accounts payable	20	697.4	531.5
Tax liability		46.9	0.0
Liabilities to Group companies		38.3	247.9
Current liabilities, interest-bearing		0.0	67.2
Other current liabilities		60.5	62.6
Accrued expenses and deferred income	20, 21	362.5	349.0
Total current liabilities		1,205.7	1,258.1
Total equity and liabilities		3,476.4	2,871.2

Parent company

Cash flow statement

MSEK	200501-210430	190501-200430
<i>Operating activities</i>		
Operating profit	353.7	238.6
<i>Adjustment for non-cash item</i>		
– depreciation	175.7	158.1
– loss from sale/disposal of non-current assets	2.5	17.6
– other non-cash items	7.3	3.0
Interest received	1.3	1.0
Interest paid	-3.0	-5.5
Tax paid	-35.9	-41.6
Cash flow from operating activities before changes in working capital	501.7	371.2
<i>Cash flow from changes in working capital</i>		
– accounts receivable	-10.5	-3.2
– inventories	-22.4	53.7
– other receivables	-69.5	178.3
– accounts payable	165.9	-58.5
– other current interest-free operating liabilities	-198.1	282.7
Cash flow from operating activities	367.0	824.3
<i>Investing activities</i>		
Investments in intangible assets	-82.6	-143.5
Investments in tangible assets	-89.8	-26.0
Investments in securities held as fixed assets	0.0	-27.0
Sale of equipment	0.4	0.3
Cash flow from investing activities	-172.0	-196.1

Cash flow statement

MSEK	200501-210430	190501-200430
<i>Financing activities</i>		
Change in short term debt interest bearing	-67.2	-215.9
Change in other long term receivables	0.0	-4.5
Change in long term receivables Group companies	0.0	-32.9
Sales of own shares	0.0	11.0
Dividend from subsidiaries	329.5	0.0
Dividend to shareholders	0.0	-395.5
Cash flow from financing activities	262.3	-637.8
Cash flow for the year	457.2	-9.6
Cash and cash equivalents at the start of the year	23.3	33.4
Exchange-rate differences in cash and cash equivalents	-0.5	-0.6
Cash and cash equivalents at the end of the year	480.0	23.3

Parent company

Change in Parent Company equity

MSEK	Share capital	Statutory reserve	Development fund	Total non-restricted equity	Total equity
Opening balance at 1 May 2019	82.0	106.8	22.4	553.6	764.8
Dividend	-	-	-	-395.5	-395.5
Sale of own shares	-	-	-	11.0	11.0
Employee stock options plan: value of employees' service	-	-	-	2.9	2.9
Change of development fund	-	-	5.4	-5.4	-
Other comprehensive income	-	-	-	174.8	174.8
Closing balance at 30 April 2020	82.0	106.8	27.8	341.4	558.0
Opening balance at 1 May 2020	82.0	106.8	27.8	341.4	558.0
Dividend	-	-	-	-	-
Sale of own shares	-	-	-	-	-
Employee stock options plan: value of employees' service	-	-	-	0.1	0.1
Change of development fund	-	-	2.7	-2.7	-
Other comprehensive income	-	-	-	673.1	673.1
Closing balance at 30 April 2021	82.0	106.8	30.5	1,011.9	1,231.2

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.

Intangible assets

For the Group, the estimates and assumptions made in conjunction with impairment testing of intangible assets not yet utilised were deemed of material significance.

This means that if the estimates and assumptions made were to significantly differ from the actual outcome, the effect on the financial statements could be considerable. In connection with the impairment testing of intangible assets, the carrying amount is to be compared with the recoverable amount, which is the highest of the asset's net selling price and value in use. After testing and assessing the value in use, no impairment requirements were deemed to exist regarding the company's investment in intangible assets that have not yet started to be used.

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.

Restructuring reserves

Restructuring costs include the necessary retirement of assets and other items that do not affect cash flow, as well as estimated costs for redundancies and other direct expenses related to the discontinuation of operations. Cost estimates are based on detailed action plans that are expected to improve the Group's cost structure and productivity. Historical outcomes from similar events in previous action plans are normally used as the basis for the calculations to minimise the uncertainty factor. Reserves for restructuring amounted to 11.8 MSEK (31.9) at year-end, of which 8.1 MSEK (8.4) was classified as long term.

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.

New standards and interpretations that come into effect in 2020/21 and after

A description of new or amended standards and new interpretations that had an impact on the Group's 2020/21 financial statements is provided below.

Amendments to IFRS 16 – COVID-19-related rent concessions

This amendment refers to rent concessions that are directly related to COVID-19 and entail voluntary exemptions to the rules on lease modifications in IFRS 16. This practical relief applies only to the lessee. The lessor's reporting is not affected. The EU adopted this amendment on 12 October 2020. The conditions for utilising the amendment are that the lease payments are essentially unchanged or lower than before the amendment, the rent concessions pertain to lease payments that are due on or before 30 June 2021 and that no substantial changes are made to the other terms and conditions of the lease. The practical relief is voluntary. If the lessee chooses to apply the exemption, a rental reduction meeting the criteria must be recognised in the same period to which the concession refers, and be recognised as a negative variable lease payment. The lease liability is to be adjusted by a corresponding amount, that is to say, the negative variable payment attributable to the COVID-19-related rent concession. The Group receives COVID-19 related rent concessions for store rent in Sweden, Norway and Finland. Management decided

not to apply the exemption. Rent concessions were treated as a lease modification, refer to IAS 8.30-31.

No other amendments to IFRS or IFRIC interpretations that came into effect in 2020/21 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. There are no plans to apply future new standards or amendments in advance. None of the IFRS or IFRIC interpretations that have not yet come into effect are expected to have a material impact on the consolidated financial statements.

Amendments to Interest Rate Benchmark Reform

Phase 2 of amendments to IFRS 9 and IFRS 7, etc. of the Interest Rate Benchmark Reform applies from 1 January 2021. In brief, these amendments make it possible for companies to reflect the effects of transitioning from benchmark interest rates, such as STIBOR, to alternative benchmark interest rates without giving rise to accounting impacts that would not provide useful information to users of financial statements. The Group's assessment is that the amendments will not entail any material 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 purchase 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 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) and the partially owned C/O P investments AB (owned share 30.5 per cent).

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.

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 reporting currency for the Group. 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 rate prevailing on the balance sheet date 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 to the rate on the balance sheet date; b) income and expenses for each of the income statements translated to the average currency 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 89 per cent is made through store sales. Income 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 11 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 program 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. Not all issued bonus cheques are redeemed which is why each sale in the loyalty program is reduced by the fair value 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. Earnings are recognised through a reduction in income during the earnings period with a corresponding provision in the balance sheet. Provisions for open purchases and gift vouchers are based on historical data. 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. Income 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 pension 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) are recognised directly in the balance sheet with income or cost corresponding to the change for the period 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 comprehensive 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 and options). The fair value of the service period that entitles employees to allocation of matching shares and options is expensed. The total amount to be expensed is based on the fair value of the allocated matching shares and options:

- including all market-related conditions (e.g. target share price)
- 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 the non-market-based vesting conditions and service conditions. 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 allocation 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.

Loan expenses

General and specific loan expenses that are directly attributable to purchasing or what is known as qualified assets, which are assets that necessarily take a significant amount of time to complete for intended use or sale are recognised as part of the cost of these assets. Capitalisation ceases when all activities required to complete the asset for its intended use or sale have been completed. There are currently no qualified assets. Other loan expenses are charged to profit during the period they arise.

Intangible assets

Costs for the maintenance of software are expensed when they arise. Development costs directly attributable to the development and testing of identifiable and unique software 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 depreciation periods are applied:
Intangible assets 3-10 years

Impairment of non-financial assets

Intangible assets with an indeterminable useful life or intangible assets not ready for use, are not depreciated but are tested annually for any impairment requirements. 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.

Non-current assets

Non-current 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 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 depreciation periods are applied:

Equipment, tools, fixtures and fittings	5-15 years
Buildings	20-33 years
Land improvements	20 years
Leashold 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 "first in, first out" 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 assets, 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 rate 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 non-current 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. Regardless of this, default is deemed to exist when payment is more than 90 days late. 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.

Hedging of net investments

The hedging of net investments in foreign operations is recognised in a similar manner as in the case of cash-flow hedging.

The portion of gain or loss attributable to a hedging instrument viewed as an effective hedge is recognised in other comprehensive income. The gain or loss attributable to the ineffective portion is recognised in profit or loss.

Accumulated gains and losses in equity are recognised in profit or loss when non-Swedish operations are partly or totally divested.

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. 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 the 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. Provisions are made for open buy, unredeemed gift cards, estimated future guarantee commitments, bonus points to club members as well as for restructuring of the store network in the UK. For further information see note 22.

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 reports 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 attributable 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". In the balance sheet, the accumulated value of the reserves is recognised under the heading "Untaxed reserves", whereby 22.0 per cent (attributable to appropriations reserved in the 2018/19 financial year and earlier) and 21.4 per cent (attributable to appropriations reserved in 2019/20 and 2020/21) can be regarded as a deferred tax liability and 78.0 per cent and 78.6 per cent, respectively, as restricted equity.

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 reports are stated 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), Hong Kong dol-

lar (HKD) and euro (EUR). In addition, movements of SEK against the Norwegian krone (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 higher sales in EUR due to its expansion 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 Norwegian kroner (NOK) and US dollars (USD).

Sensitivity analysis regarding currency risk 2020/21

Currency	Change, %	Impact on profit before tax, MSEK
NOK	+/- 5	+/- 107
USD	+/- 5	-/+ 63
HKD	+/- 5	-/+ 2
EUR	+/- 5	-/+ 8
GBP	+/- 5	+/- 0

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, meaning investments that can be converted into cash and cash equivalents at any given point in time. The Group had bank balances only with Nordic banks on 30 April 2021. See also Note 27.

Granted credit limits

Group	2021-04-30	2020-04-30
Overdrafts	450	450
Credit facility	650	550
Total credit limits granted	1,100	1,000
Appropriated credit lines	0	67
Unused credit lines	1,100	933
Available bank balances	534	80
Refinancing reserve	1,634	1,013

Maturity structure financial liabilities

Group	<3 mos	3-12 mos	1-2 year	3-5 year	>5 year
Other provisions	0.1	2.0	2.1	3.8	
Financial leasing*	138.7	395.9	459.2	859.0	329.9
Other current liabilities	675.8				
Accounts payable	732.8				
Total	1,547.3	397.9	461.3	862.8	329.9

*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 expense 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 +/- 19.7 MSEK (including IFRS 16) (20.7). The effect on interest income during the same period and under the same conditions for interest-bearing assets amounts to +/- 4.3 MSEK (0.6).

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 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

Accounts receivable not due	51.1
Accounts receivable due <1 month	1.3
Accounts receivable due 1-3 months	1.1
Accounts receivable due 3-6 months	1.3
Accounts receivable due 6-12 months	1.9
Accounts receivable due >12 months	1.1
Total	57.7

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 55.2 per cent exclusive IFRS 16.

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 operating expenses

	Group		Parent Company	
	2020/21	2019/20	2020/21	2019/20
Other operating income				
Rental income	6.7	25.2	6.7	25.2
Profit on sale or disposal of tangible assets	0.4	0.7	0.4	0.2
Other operating income	0.0	0.0	0.0	0.0
Total	7.1	25.9	7.1	25.4
Other operating expenses				
Leasing expenses	-9.9	-25.8	-9.9	-25.9
Loss on sale or disposal of tangible assets	-2.2	0.0	-1.4	0.0
Restructuring costs	0.0	0.0	0.0	0.0
Total	-12.1	-25.8	-11.3	-25.9

Note 4 Depreciation

Group	2020/21	2019/20
<i>Depreciation broken down by type of asset</i>		
Depreciation on leased assets	486.2	471.6
Intangible assets	86.3	61.9
Land and buildings	27.1	28.3
Equipment, tools, fixtures and fittings	114.4	125.5
Total	714.0	687.3
<i>Depreciation broken down by function</i>		
Cost of goods sold	128.2	114.7
Selling expenses	561.8	548.2
Administrative expenses	24.0	24.3
Total	714.0	687.3

Parent Company	2020/21	2019/20
<i>Depreciation by type of asset</i>		
Intangible assets	86.3	61.9
Land and buildings	27.1	28.3
Equipment, tools, fixtures and fittings	62.3	67.9
Total	175.7	158.1
<i>Depreciation broken down by function</i>		
Cost of goods sold	80.4	76.3
Selling expenses	86.7	73.8
Administrative expenses	8.6	8.0
Total	175.7	158.1

Note 5 Expenses by type of cost

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.

Payroll expenses including social security expenses during the financial year totalled 2,024.5 MSEK (2,143.9) in the Group and 1,336.7 MSEK (1,367.5) in the Parent Company.

Depreciation during the financial year totalled 714.0 MSEK (687.3) in the Group and 175.7 MSEK (158.1) in the Parent Company.

Note 6 Expenses for employee benefits

	2020/21	2019/20
<i>Salaries and other remuneration</i>		
Parent Company	1,002.2	1,018.8
Subsidiaries	592.5	667.0
Group total	1,594.7	1,685.8

	2020/21		2019/20	
	Social security expenses	of which, pension expenses	Social security expenses	of which, pension expenses
<i>Social security expenses</i>				
Parent Company	334.5	74.0	348.8	76.7
Subsidiaries	95.3	32.1	109.3	38.9
Group total	429.8	106.1	458.1	115.6

Of the Parent Company's pension expenses, 2.4 MSEK (2.5) pertained to the Group's Board and CEO. Of the subsidiaries' pension expenses 0.6 MSEK (0.4) pertained to presidents of subsidiaries.

In the Group, expenses for defined-contribution pensions amounted to 93.1 MSEK (101.8) and defined-benefit pensions to 0.0 MSEK (0.0).

The Parent Company only has defined-contribution pension plans (including Alecta) for which the year's expenses was 61.0 MSEK (62.9).

In the Parent Company, the year's expenses for special employer's contribution on pension premiums was 13.0 MSEK (13.8). 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	2020/21	2019/20
Salaries and other remuneration	25.6	33.8
– of which, variable remuneration	3.4	6.4
Pension expenses	4.8	5.8
Number of individuals in Group ¹	14	17

Group	2020/21	2019/20
Salaries and other remuneration	30.0	38.4
– of which, variable remuneration	3.9	7.2
Pension expenses	4.9	6.2
Number of individuals in Group ¹	16	19

¹ The composition of the Senior Management includes 8 persons (11).

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 programs are paid to the company's Board.

No director fees were paid in the subsidiaries.

Parent Company	2020/21		2019/20	
	Director fees	Committee fees	Director fees	Committee fees
<i>Board of Directors</i>				
Kenneth Bengtsson, Chairman	0.70	0.13	0.70	0.13
Göran Sundström, member	0.34	0.16	0.34	0.16
Mathias Haid, member	0.34	0.07	0.34	0.07
Göran Näsholm, member	0.00	0.00	0.34	0.07
Charlotte Strömberg, member	0.34	0.09	0.34	0.09
Anne Thorstvedt Sjöberg, member	0.34	0.00	0.34	0.00
Margareta Lehmann, member	0.00	0.00	0.34	0.00
Håkan Lundstedt, member	0.34	0.09	0.34	0.09
Mengmeng Du, member	0.34	0.00	0.00	0.00
Patrik Hofbauer, member	0.34	0.07	0.00	0.00
Board total	3.08	0.59	3.08	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 members of senior management is made up of basic salary, variable remuneration and pension contributions. Seven individuals, together with the CEO, comprise senior management during the financial year.

For the composition of senior management at 30 April 2021, see page 54-55.

Group	2020/21				2019/20			
	Basic salary	Vari. remu. STI	Vari. remu. LTI ¹	Bene-fits	Basic salary	Vari. remu. STI	Vari. remu. LTI ¹	Bene-fits
<i>Salaries paid to senior management</i>								
Lotta Lyrå, CEO	5.2	1.1	-0.6	0.1	7.0	1.7	0.6	0.2
Pär Christiansen, CEO ³	1.0	0.1	0.0	0.0	-	-	-	-
Kristofer Tonström, CEO ⁴	1.5	0.5	0.0	0.0	-	-	-	-
Other senior management (7 individuals and 10 individuals in 2019/20)	13.9	3.3	-0.5	0.6	18.9	3.7	1.2	1.0
Management total	21.6	5.0	-1.1	0.8	25.9	5.5	1.8	1.2

¹ LTI (Long term incentive program) pertains to reported cost/cost reduction for LTI 2018, LTI 2019 och LTI 2020. See description below of STI (Short term incentive program) and LTI.

² Lotta Lyrå was CEO until 2020-12-04.

³ Pär Christiansen held the role of acting CEO between 2020-12-05 to 2021-02-07.

⁴ Kristofer Tonström took office as the new new President and CEO 2021-02-08.

Group	2020/21		2019/20	
	Defined contribution	Defined benefit	Defined contribution	Defined benefit
<i>Pension expenses for senior management</i>				
Lotta Lyrå, CEO ¹	1.5	0.0	2.5	0.0
Pär Christiansen, CEO ²	0.2	0.0	-	-
Kristofer Tonström, CEO ³	0.6	0.0	-	-
Other senior management (7 individuals and 10 individuals in 2019/20)	2.7	0.0	3.8	0.0
Management total	4.9	0.0	6.2	0.0

¹ Lotta Lyrå was CEO until 2020-12-04.

² Pär Christiansen held the role of acting CEO between 2020-12-05 to 2021-02-07.

³ Kristofer Tonström took office as the new new President and CEO 2021-02-08.

Under the contract of employment with the acting 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 Remuneration 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 Remuneration 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 Remuneration 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, is three women and three men. In percentage terms, the distribution is thus 50 per cent female and 50 per cent male. The distribution in the preceding year was three women and six men. The gender distribution during the financial year among Senior Management of the Group, is four women and three men. In percentage terms, the distribution is thus 57 per cent female and 43 per cent male. The distribution in the preceding year was five women and six men.

Further information on decision-making processes in the Group is presented on pages 47-51.

Remuneration principles

The general principles of remuneration for senior executives 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 executives is to consist of basic salary, variable salary in the form of a short-term incentive based on annual performance objectives, 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 variable remuneration may comprise a significant portion of 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 is to comprise 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 his/her 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 executives 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 plan 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 programs (Long Term Incentive, LTI)

The aim of LTI programs is to create the prerequisites for retaining and recruiting competent employees to the Group. The programs 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 programs that entitle employees to acquire shares are subject to AGM approval. The qualification period for LTI 2018, LTI 2019 and LTI 2020 were in effect during the financial year. The qualification period for LTI 2018 was concluded after the close of the financial year. All long-term incentive programs are share matching and profit-based employee stock option plans.

All ongoing long-term incentive programs have been approved by an Annual General Meeting. The current program covers up to 100 senior executives and other individuals deemed to be able to influence Clas Ohlson's development in the long-term.

All participants up to and including LTI 2014 acquired series B shares in Clas Ohlson corresponding to a value of not less than 5 per cent and not more than 10 per cent of their annual basic salary. Participants acquired series B Clas Ohlson shares, at market price, which the company will later match (1:1) free of charge through allotment of shares. If the employee holds the acquired

shares and is still employed by the Group after the end of the qualification 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.

The programs from LTI 2015 have been changed by dividing the participants into two groups:

1. senior management comprising senior management including the CEO, Group Management and country managers elected by the Board or corresponding positions, regarded as having considerable potential in their present position to influence Clas Ohlson AB's long-term development (Senior Management).
2. other employees who could develop into members of Senior Management or assume other key positions within the Group and thus influence Clas Ohlson AB's long-term development (Key Individuals).

For senior management, the program is unchanged compared with earlier programs, see the description above. For Key Individuals, LTI 2018, LTI 2019 and LTI 2020 entails that participants receive an allocation 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 program, corresponds to a value of a minimum of 3 per cent and a maximum of 10 per cent (LTI 2018 minimum of 5 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. Up to and including

LTI 2014, the price per share when the option was exercised was calculated at 110 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. For subsequent LTI plans, the figure is 100 per cent. The exercise price for LTI 2018, LTI 2019 and LTI 2020 has been set at 93.80 SEK, 77.50 SEK and 99.90 SEK, respectively. 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 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 programs up to and including LTI 2014 depends on the number of series B shares that the employee has acquired within the framework of the plan, and whether the company's growth and profit growth during the first three financial years increase to the levels set by the Board. These established levels are: Entry, Target and Stretch, with a straight-line increase between each profit level.

For Key Individuals under LTI 2019 and LTI 2020, the number of employee stock options that may be exercised depends on the number of shares as corresponded by the Key Individual's salary at the start of the program (a minimum of 3 per cent and a maximum of 10 per cent).

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 member of Senior Management 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).

It was not possible to exercise any of the options for LTI 2018, LTI 2019 or LTI 2020 on 30 April 2021. The number that may be exercised after three years is based on the achievement of growth and profit targets in accordance with the above. The sum that is expensed is based on the level of 0 options for LTI 2018, 10 options per share for LTI 2019 and 10 options per share for LTI 2020. The total outcome for all ongoing LTI programs during the financial year (LTI 2018, LTI 2019 and LTI 2020) was a cost of 0.2 MSEK, including social security contributions. Last year the corresponding figure was a total cost of 3.7 MSEK.

In accordance with the below, LTI 2019 och LTI 2020 will include the following number of series B shares and employee stock options for the various participant categories if the Target level is achieved.

Extent of LTI 2019 and LTI 2020 at target level¹

Participants	LTI 2019		Target value MSEK ³
	Matching shares No. of series B-shares ²	No. of employee stock options ²	
CEO and President	0	0	0.0
Other members of Senior Management	5,232	52,320	0.9
Other participants	0	209,590	2.2
Total	5,232	261,910	3.1

Participants	LTI 2020		Target value MSEK ³
	Matching shares No. of series B-shares ²	No. of employee stock options ²	
CEO and President	0	0	0.0
Other members of Senior Management	2,934	29,340	0.8
Other participants	0	286,773	5.8
Total	2,934	316,113	6.6

¹ Initially, at the start of the program, the participants acquired 15,581 and 5,967 shares under the frameworks of the LTI 2019 and LTI 2020 respectively. The table shows status as of 30 April 2021.

² The number of shares and employee stock options may be recalculated due to decisions concerning a possible new share issue or split.

³ The target value of the plan is calculated based on the fair value on the date of allotment. The share value on the date of allotment was 59.77 SEK for LTI 2019 and 81.15 SEK for LTI 2020 and the fair value of the option was 10.49 and 20.11 SEK. To calculate the fair value of the options, the binomial model for option valuation was used. Valuation has been conducted using an initial share price of 78.52/82.52 SEK, an exercise price of 77.50/99.90 SEK, an expected dividend per share annually, an anticipated lifetime for the options of five years, an interest rate of -0.24 per cent /-0.26 per cent, a volatility of 32 per cent/35 per cent and annual withdrawals of 5 per cent. Volatility is measured as the standard deviation for the expected return on the share price based on a statistical analysis of daily share prices during the past three years. The values were adjusted for the discounted value of future dividend.

Share awards

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

Share awards	2020/21			
	LTI 2020	LTI 2019	LTI 2018	LTI 2017
At 1 May		11,708	11,846	7,970
Granted	5,967			
Forfeited	-3,033	-6,476	-5,930	
Exercised				-7,970
At 30 April	2,934	5,232	5,916	0

Share awards	2019/20			
	LTI 2019	LTI 2018	LTI 2017	LTI 2016
At 1 May		15,711	8,639	2,636
Granted	15,581			
Forfeited	-3,873	-3,865	-669	
Exercised				-2,636
At 30 April	11,708	11,846	7,970	0

Number of options to exercise

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

Options	2020/21			
	LTI 2017	LTI 2016	LTI 2015	LTI 2014
At 1 May	0	0	0	132,177
Granted	0	0	0	0
Forfeited	0	0	0	-132,177
Exercised	0	0	0	0
At 30 April	0	0	0	0

Participants	Number of options to exercise		
	LTI 2017	LTI 2016	LTI 2015
CEO and President	0	0	0
Other members of Group Management	0	0	0
Other participants	0	0	0
Total	0	0	0

LTI 2018 result

The qualification and performance periods for LTI 2018 were valid from 1 May 2018 until 30 April 2021. A total of 5,916 shares were allotted on 3 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 set criteria pertaining to the average sales and profit growth per share for the period 2018 to 2021 were not achieved, which resulted in no options being allotted to participants and the LTI 2018 was thus concluded. The outstanding options in LTI 2014 expired in April 2021. The tabel below outlines the number of awarded matching share and options for LTI 2018.

Participants	Share awards LTI 2018	
	Matching share	Options
CEO and President	0	0
Other members of Group Management	3,677	0
Other participants	2,239	0
Total	5,916	0

Share repurchase for LTI programs

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 expenses.

Pensions and other benefits

As a main rule, pension agreements are to be defined-contribution and designed in accordance with the levels and practices that apply in the country in which the senior executive is employed. Other benefits may occur in accordance with the conditions that apply in the country in which the senior executive is employed. However, such benefits may not constitute a large portion of the total remuneration.

Note 7 Remuneration to auditors

Deloitte	Group		Parent Company	
	2020/21	2019/20	2020/21	2019/20
Remuneration for audit engagement	2.0	2.3	1.5	1.2
Remuneration for audit related services	0.0	0.5	0.0	0.5
Tax consultations	0.1	0.2	0.0	0.0
Other	0.0	0.3	0.0	0.1
Total	2.2	3.2	1.5	1.8

Note 8 Financial income and expenses

Financial income is distributed as follows:

Group	2020/21	2019/20
Interest income	0.2	0.1
Interest income Leasing	0.1	0.0
Group total	0.3	0.1
Parent Company	2020/21	2019/20
Interest income	0.1	0.2
Interest income, subsidiaries	1.1	0.9
Parent Company total	1.3	1.0

Financial expenses are distributed as follows:

Group	2020/21	2019/20
Interest expenses	-3.0	-3.4
Interest expenses leasing	-60.6	-64.3
Group total	-63.6	-67.7
Parent Company	2020/21	2019/20
Interest expenses	-2.9	-3.2
Interest expenses, subsidiaries	-0.1	-2.2
Parent Company total	-3.0	-5.5

Note 9 Income tax

	Group		Parent Company	
	2020/21	2019/20	2020/21	2019/20
<i>Tax on profit for the year</i>				
Income tax on profit for the year	-126.6	-88.4	-85.0	-48.8
	-126.6	-88.4	-85.0	-48.8
<i>Deferred tax</i>				
Deferred tax pertaining to temporary differences	3.0	-17.4	0.9	-0.2
Total recognised tax expense	-123.6	-105.8	-84.1	-49.0
<i>Reconciliation of applicable tax rate and effective rate</i>				
Recognised profit before tax	544.9	481.8	703.6	224.1
Expected tax expense according to the swedish tax rate (21.4%)	-116.6	-103.1	-150.6	-48.0
<i>Tax effect of:</i>				
Differences in foreign tax rates	-0.7	-0.9	0.0	0.0
Non-deductible/non-recognised	-5.8	-0.7	-4.1	-0.4
Adjustment earlier taxation	-0.3	-0.6	-0.7	0.0
Tax-free dividend subsidiaries	0.0	0.0	70.5	0.0
Other	-0.1	-0.4	0.8	-0.6
Recognised tax expense	-123.6	-105.8	-84.1	-49.0
Current tax rate for income tax, %	21.4	21.4	21.4	21.4
Effective tax rate, %	22.7	22.0	12.0	21.8
Deferred tax items recognised directly in equity	16.5	-10.2	0.0	0.0
Deferred tax assets	72.2	71.4	4.2	3.4
Deferred tax liabilities	-201.9	-223.2	0.0	0.0

Group 2020/21	Amount at start of year	Recognised in profit or loss	Recognised in comprehensive income	Exchange rate differences	Amount at the end of year
<i>Change in deferred tax in temporary differences during the year</i>					
Inter-company profit in inventories	20.9	1.1	0.0	0.0	22.0
Accruals and deferrals	5.4	-0.3	0.0	0.0	5.1
Pensions	3.5	3.3	0.0	-0.1	6.7
Untaxed reserves	-208.2	3.2	0.0	0.0	-205.0
Hedging reserves	-10.2	0.0	16.5	0.0	6.3
Provisions DE/UK	0.1	-0.1	0.0	0.0	0.0
Leasing	36.5	-1.6	0.0	0.0	35.0
Other	0.2	0.0	0.0	0.0	0.2
Total	-151.8	5.7	16.5	-0.1	-129.6

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

Group 2019/20	Amount at start of year	Recognised in profit or loss	Recognised in comprehensive income	Exchange rate differences	Amount at the end of year
<i>Change in deferred tax in temporary differences during the year</i>					
Inter-company profit in inventories	22.8	-1.9	0.0	0.0	20.9
Accruals and deferrals	5.0	0.4	0.0	0.0	5.4
Pensions	3.4	-0.3	0.0	-0.2	3.5
Untaxed reserves	-201.2	-7.0	0.0	0.0	-208.2
Hedging reserves	0.0	0.0	-10.2	0.0	-10.2
Provisions DE/UK	2.2	-2.1	0.0	0.0	0.1
Leasing	0.0	36.5	0.0	0.0	36.5
Other	0.2	-0.1	0.0	0.0	0.2
Total	-167.7	26.2	-10.2	-0.2	-151.8

Note 10 Earnings per share*

Group	2020/21	2019/20
<i>Earnings per share before dilution</i>		
Profit for the year	421.3	375.9
Average number of shares before dilution	63.3	63.3
Earnings per share before dilution	6.65	5.94
<i>Earnings per share after dilution</i>		
Profit for the year	421.3	375.9
Average number of shares before dilution	63.3	63.3
Adjusted for:		
- share savings program	0.0	0.0
Average number of shares after dilution	63.4	63.3
Earnings per share after dilution	6.65	5.94

*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 421.3 MSEK (375.9) and on an average number of shares outstanding before and after dilution during both 2020/21 and 2019/20.

Note 11 Dividend per share

The dividends paid in 2020/21 and 2019/20 totalled 0 MSEK (0 SEK per share) and 410 MSEK (6.25 SEK per share). A dividend pertaining to 2020/21 of 6.25 SEK per share, comprised of two separate payments of 3.13 SEK per share and 3.12 SEK per share will be proposed at the Annual General Meeting to be held on 10 September 2021. The first payment is proposed to be in September 2021 and the second payment in January 2022. The proposed dividend amounts to a total of 410 MSEK, representing 97 per cent of the financial year's profit after tax.

Note 12 Non-current assets

	Group		Parent Company	
	2020/21	2019/20	2020/21	2019/20
<i>Intangible assets</i>				
Capitalised IT and software costs				
Opening accumulated acquisition cost	820.6	696.5	820.6	696.5
Acquisitions for the year	82.6	143.5	82.6	143.5
Reclassifications	0.0	0.0	0.0	0.0
Sales and disposals	-1.2	-19.4	-1.2	-19.4
Closing accumulated acquisition cost	902.0	820.6	902.0	820.6
<i>Depreciable assets</i>				
Opening accumulated depreciation cost	-277.4	-219.5	-277.4	-219.5
Depreciation for the year	-86.3	-61.9	-86.3	-61.9
Reclassifications	0.0	0.0	0.0	0.0
Sales and disposals	0.0	4.0	0.0	4.0
Closing accumulated depreciation cost	-363.7	-277.4	-363.7	-277.4
Net book value	538.3	543.2	538.3	543.2

	Group		Parent Company	
	2020/21	2019/20	2020/21	2019/20
<i>Tangible assets</i>				
<i>Land and buildings</i>				
Opening accumulated acquisition cost	754.8	754.8	754.8	754.8
Acquisitions for the year	0.0	0.0	0.0	0.0
Reclassifications	0.0	0.0	0.0	0.0
Sales and disposals	0.0	0.0	0.0	0.0
Translation differences	0.0	0.0	0.0	0.0
Closing accumulated acquisition cost	754.8	754.8	754.8	754.8
<i>Equipment, tools, fixtures and fittings</i>				
Opening accumulated depreciation cost	-425.0	-396.8	-425.0	-396.8
Depreciation for the year	-27.1	-28.3	-27.1	-28.3
Reclassifications	0.0	0.0	0.0	0.0
Sales and disposals	0.0	0.0	0.0	0.0
Depreciation for the year	-27.1	-28.3	-27.1	-28.3
Translation differences	0.0	0.0	0.0	0.0
Closing accumulated depreciation cost	-452.1	-425.0	-452.1	-425.0
Net book value	302.8	329.8	302.8	329.8
Carrying amount, land	6.5	6.5	6.5	6.5

	Group		Parent Company	
	2020/21	2019/20	2020/21	2019/20
<i>Equipment, tools, fixtures and fittings</i>				
Opening accumulated acquisition cost	1,767.3	1,928.4	1,119.2	1,132.1
Acquisitions for the year	145.7	60.8	89.8	26.0
Reclassifications	0.0	0.0	0.0	0.0
Sales and disposals	-145.5	-153.4	-52.1	-38.8
Translation differences	22.5	-68.5	0.0	0.0
Closing accumulated acquisition cost	1,789.9	1,767.3	1,156.9	1,119.2
Opening accumulated depreciation cost	-1,316.5	-1,374.9	-866.5	-834.8
Depreciation for the year	-114.4	-125.5	-62.3	-67.9
Reclassifications	0.0	0.0	0.0	0.0
Sales and disposals	139.4	139.2	50.4	36.2
Translation differences	-14.4	44.7	0.0	0.0
Closing accumulated depreciation cost	-1,305.9	-1,316.5	-878.5	-866.5
Net book value	481.1	450.8	278.4	252.7

	Parent Company	
	2020/21	2019/20
<i>Financial non-current assets</i>		
Opening accumulated acquisition cost	45.8	43.6
Increase/decrease in non-current receivables	0.9	2.2
Closing accumulated acquisition cost	46.7	45.8

	Group		Parent Company	
	2020/21	2019/20	2020/21	2019/20
<i>Securities held as fixed assets, valued at fair value*</i>				
Securities held as fixed assets, valued at fair value at the beginning of the year	252.3	225.3	252.3	225.3
Acquisition	0.0	27.0	0.0	27.0
Revaluation during the year	53.5	0.0	53.5	0.0
Securities held as fixed assets, valued at fair value at the end of the year	305.8	252.3	305.8	252.3

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

	Group	
	2020/21	2019/20
<i>IFRS 16 Facilities</i>		
Opening accumulated acquisition cost	4,952.6	0.0
Effect of changed accounting policy	0.0	4,825.1
Additional right-of-use assets	306.0	498.6
Terminated or renegotiated agreements	-372.1	-114.8
Translation differences	77.2	-256.4
Closing accumulated acquisition cost	4,963.6	4,952.6
Opening accumulated depreciation cost	-2,929.1	0.0
Effect of changed accounting policy	0.0	-2,720.1
Depreciation for the year	-478.6	-466.5
Terminated or renegotiated agreements	362.3	113.7
Translation differences	-42.1	143.8
Closing accumulated depreciation cost	-3,087.6	-2,929.1
Net book value	1,876.1	2,023.5

	Group	
	2020/21	2019/20
<i>IFRS 16 Cars</i>		
Opening accumulated acquisition cost	4.3	0.0
Effect of changed accounting policy	0.0	3.1
Additional right-of-use assets	1.1	1.4
Terminated or renegotiated agreements	-1.9	-0.1
Translation differences	0.0	-0.1
Closing accumulated acquisition cost	3.5	4.3

Opening accumulated depreciation cost	-2.5	0.0
Effect of changed accounting policy	0.0	-1.4
Depreciation for the year	-1.2	-1.2
Terminated or renegotiated agreements	1.8	0.1
Translation differences	0.0	0.0
Closing accumulated depreciation cost	-1.9	-2.5
Net book value	1.6	1.8

	Group	
	2020/21	2019/20
<i>IFRS 16 Other</i>		
Opening accumulated acquisition cost	41.7	0.0
Effect of changed accounting policy	0.0	16.1
Additional right-of-use assets	9.1	25.6
Terminated or renegotiated agreements	0.0	0.0
Translation differences	0.0	0.0
Closing accumulated acquisition cost	50.9	41.7
Opening accumulated depreciation cost	-7.1	0.0
Effect of changed accounting policy	0.0	-3.3
Depreciation for the year	-6.4	-3.8
Terminated or renegotiated agreements	0.0	0.0
Translation differences	0.0	0.0
Closing accumulated depreciation cost	-13.5	-7.1
Net book value	37.3	34.6

Investment commitments

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

	Group		Parent Company	
	2020/21	2019/20	2020/21	2019/20
Equipment, tools, fixtures and fittings	4.5	15.5	0.0	12.1

Note 13 Inventories

	Group		Parent Company	
	2020/21	2019/20	2020/21	2019/20
Merchandise	1,831.7	1,811.2	1,332.9	1,310.5
Total	1,831.7	1,811.2	1,332.9	1,310.5
Cost of goods sold	4,928.6	5,268.1	4,793.1	5,085.9
Of which, obsolescence	2.1	-6.1	0.4	-3.7

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	
	2020/21	2019/20	2020/21	2019/20
Accounts receivable	57.7	49.9	34.3	23.9
Total	57.7	49.9	34.3	23.9
Fair value	57.7	49.9	34.3	23.9

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

Note 15 Prepaid expenses and accrued income

	Group		Parent Company	
	2020/21	2019/20	2020/21	2019/20
Prepaid rent	0.0	0.0	39.0	26.9
Prepaid costs of materials	0.0	0.0	0.0	0.0
Other prepaid expenses	49.4	95.5	38.9	29.8
Total	49.4	95.5	77.9	56.7

Affected by change in accounting principle IFRS 16.

Note 16 Cash and cash equivalents

Group	2020/21	2019/20
	Cash and bank balances	533.8
Group total	533.8	80.1

At the end of the year, utilised overdraft facilities in the Group, which are not included in cash and cash equivalents, totalled 0 MSEK (67.2 MSEK), refer to Note 20.

Total credit limits granted to the Group and to the Parent Company as of April 30, 2021 amounts to 1,100 MSEK (1,000).

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

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

Note 17 Forward contracts

As per the balance sheet date, outstanding cash-flow hedging existed according to the following table.

Currency	Carrying amount and fair value		Nominal amount		Average re-maturing term in months. ¹	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
Sell/buy						
NOK/SEK	-13.0	10.4	322.7	118.3	3.4	2.6
NOK/USD	-16.2	37.5	337.3	358.9	3.5	2.5
SEK/USD	0.0	0.0	0.0	0.0	0.0	0.0
Total	-29.2	47.9	660.0	477.2	-	-

¹Maturity ranges from 3 May - 22 Nov for NOK/SEK, 12 May - 22 Nov for NOK/USD. In the preceding year, the maturity ranges were from 13 May -2 Nov for NOK/SEK, 13 May - 9 Sep 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.

Forward contracts with negative market values totalled 29.2 MSEK (0.0), which was recognised in the item accrued expenses and deferred income. Forward contracts with positive market values amounted to 0.0 MSEK (47.9), which was recognised in the item Prepaid expenses and accrued income.

A deferred tax liability of 6.3 MSEK (previous year a deferred tax assets of 10.2) was taken into account and the remaining fair value of -23.0 MSEK (37.6) was recognized in the hedging reserve within equity. The amount for forward contracts NOK/USD of -16.2 MSEK (37.5) is allocated on the currency pair NOK/SEK with -14.1 MSEK (28.2) and on the currency pair SEK/USD with -2.1 MSEK (9.2).

Note 18 Proposed allocation of earnings and Equity

The following earnings (SEK 000s) are at the disposal of the Annual General Meeting:

Profit brought forward	392,374
Profit for the year	619,539
Total	1,011,912

The Board and Chief Executive Officer propose:

SEK 6.25 per share will be distributed to shareholders	410,000 ¹
Carried forward to new account ¹	601,912
Total	1,011,912

¹The Board of Directors proposes that a dividend of SEK 6.25 per share be paid for the 2020/21 financial year, distributed between two payment dates. It is proposed that payment be made in September and January. The proposed dividend totals 410 MSEK, which represents 97 per cent of profit after tax for the financial year.

The total number of ordinary shares is 65,600,000 (2018/19: 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 2,254,583 B shares (2,262,553). The number of share-soutstanding at the end of the year was 63,345,417 (63,337,447). The average number of shares before and after dilution is reported in Note 10.

The Group's reserves contain translation differences of -74.2 MSEK (-92.2), and hedging reserve of -23.0 MSEK (37.6).

Note 19 Pension obligations

The Group has defined-benefit occupational pension plans for only a few formerly 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 the pages 66-67.

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

	2020/21	2019/20
At the start of the year	0.9	1.2
Net Pension Cost	0.2	-0.2
Employer contribution	0.1	0.0
Exchange-rate differences	0.1	-0.2
Recognised provision for defined benefit obligations	1.2	0.9

Pension obligations:

	2020/21	2019/20
Present value of funded obligations	2.5	3.9
Fair value of plan assets	3.7	4.8
Non-recognised actuarial gains/losses	0.0	0.0
Recognised asset in balance sheet for pension obligations	1.2	0.9

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.

	2020/21	2019/20
Group	93.1	101.8
Parent Company	61.0	62.9

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 Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Reporting of ITP 2 pension plans financed through insurance in Alecta, 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 Alecta 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 Alecta amount to 11.8 MSEK (12.4).

The collective funding ratio comprises the market value of Alecta's assets as a percentage of the insurance commitments calculated according to Alecta's actuarial methods and assumptions, which do not comply with IAS 19. The collective 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 2020, Alecta's surplus in the form of the collective funding ratio was 148 per cent (148).

Note 20 Financial instruments

Carrying amounts

2020/2021	Level	Received contractual cashflows		Received contractual cashflows and sale of financial assets		Other financial assets		Financial liabilities measured at amortized cost		Total	
		Financial assets measured at amortized cost		Financial assets measured at fair value through other comprehensive income		Financial assets measured at fair value through profit or loss					
		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	305.8	305.8	0.0	0.0	0.0	0.0	305.8	305.8
Financial assets not measured at fair value											
Other long term receivables	2	4.3	3.1	0.0	0.0	0.0	0.0	0.0	0.0	4.3	3.1
Long-term financial lease	2	32.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	32.8	0.0
Accounts receivable	2	57.7	34.3	0.0	0.0	0.0	0.0	0.0	0.0	57.7	34.3
Short-term financial lease	2	3.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.8	0.0
Other receivables	2	2.3	0.6	0.0	0.0	0.0	0.0	0.0	0.0	2.3	0.6
Cash and cash equivalent	2	533.8	480.0	0.0	0.0	0.0	0.0	0.0	0.0	533.8	480.0
Total financial assets		634.7	518.0	0.0	0.0	0.0	0.0	0.0	0.0	940.6	823.8
Financial liabilities measured at fair value											
Other liability provisions	2	0.0	0.0	0.0	0.0	0.0	0.0	8.1	0.0	8.1	0.0
Long-term lease liability**	-	0.0	0.0	0.0	0.0	0.0	0.0	1,542.7	0.0	1,542.7	0.0
Current liabilities, interest-bearing	2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current lease liability**	-	0.0	0.0	0.0	0.0	0.0	0.0	498.8	0.0	498.8	0.0
Other current liabilities	2	0.0	0.0	0.0	0.0	0.0	0.0	675.8	421.1	675.8	421.1
Accounts payable	2	0.0	0.0	0.0	0.0	0.0	0.0	732.8	697.4	732.8	697.4
Total financial liabilities		0.0	0.0	0.0	0.0	0.0	0.0	3,458.2	1,118.4	3,458.2	1,118.4

Carrying amounts

2019/2020	Level	Received contractual cashflows		Received contractual cashflows and sale of financial assets		Other financial assets		Financial liabilities measured at amortized cost		Total	
		Financial assets measured at amortized cost		Financial assets measured at fair value through other comprehensive income		Financial assets measured at fair value through profit or loss					
		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	252.3	252.3	0.0	0.0	0.0	0.0	252.3	252.3
Financial assets not measured at fair value											
Other long term receivables	2	4.0	3.1	0.0	0.0	0.0	0.0	0.0	0.0	4.0	3.1
Accounts receivable	2	49.9	23.9	0.0	0.0	0.0	0.0	0.0	0.0	49.9	23.9
Other receivables	2	5.7	4.5	0.0	0.0	0.0	0.0	0.0	0.0	5.7	4.5
Cash and cash equivalent	2	80.1	23.3	0.0	0.0	0.0	0.0	0.0	0.0	80.1	23.3
Total financial assets		139.8	54.8	0.0	0.0	0.0	0.0	0.0	0.0	392.2	307.1
Financial liabilities measured at fair value											
Other liability provisions	2	0.0	0.0	0.0	0.0	0.0	0.0	8.4	0.0	8.4	0.0
Long-term lease liability**	-	0.0	0.0	0.0	0.0	0.0	0.0	1,672.5	0.0	1,672.5	0.0
Current liabilities, interest-bearing	2	0.0	0.0	0.0	0.0	0.0	0.0	67.2	67.2	67.2	67.2
Current lease liability**	-	0.0	0.0	0.0	0.0	0.0	0.0	523.7	0.0	523.7	0.0
Other current liabilities	2	0.0	0.0	0.0	0.0	0.0	0.0	632.3	400.3	632.3	400.3
Accounts payable	2	0.0	0.0	0.0	0.0	0.0	0.0	551.2	531.5	551.2	531.5
Total financial liabilities		0.0	0.0	0.0	0.0	0.0	0.0	3,455.4	999.0	3,455.4	999.0

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

* Valuation of Securities held as fixed assets according to level 3 in the fair value hierarchy, for more information see note 25.

** Lease liabilities are valued in accordance with IFRS 16

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.

Note 21 Accrued expenses and deferred income

	Group		Parent Company	
	2020/21	2019/20	2020/21	2019/20
Accrued payroll expenses	130.4	137.1	76.8	82.6
Accrued holiday pay expenses	208.7	200.1	124.9	120.8
Accrued social security contributions	109.0	122.7	88.3	104.7
Other items	149.4	83.4	72.5	40.9
Total	597.6	543.3	362.5	349.0

Note 22 Other provisions

Refers to:

Sales-related provisions

Pertains to provisions for guarantee commitments, unredeemed gift cards, open purchase and estimated bonus points to customer club members, which are all expected to be utilised during the subsequent financial year. The provision for estimated future guarantee commitments is equivalent to the guarantee expenses for the year with respect to the length of the warranty period.

Gift cards

When purchasing Clas Ohlson's gift cards in stores or via online shopping, the entire amount is recognised as a provision and recognised as income only when the gift card has been used in a store or has expired.

Open purchase and complaints

Clas Ohlson offers its customers open purchase for 365 days and have the right to complain about unsatisfactory purchases for up to ten years after the purchase. 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 program, 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 six months. All issued bonus cheques are not redeemed which is why each sale in the loyalty program is reduced by the fair amount with respect to future redemption of bonus cheques, considering the current degree of redemption.

	Group		Parent Company	
	2020/21	2019/20	2020/21	2019/20
Guarantee commitments				
Opening provisions	10.8	12.0	5.7	6.7
Utilised during the year	-10.8	-12.0	-5.7	-6.7
Allocated during the year	10.0	10.8	5.5	5.7
Total	10.0	10.8	5.5	5.7
Open purchase, unredeemed gift cards and bonus points				
Opening provisions	53.4	55.5	44.4	43.2
Utilised during the year	-53.4	-55.5	-44.4	-43.2
Allocated during the year	63.3	53.4	51.7	44.4
Total	63.3	53.4	51.7	44.4
Restructuring				
Opening provisions	31.9	62.0	0.0	0.0
Utilised during the year	-20.1	-31.3	0.0	0.0
Allocated during the year	0.0	1.1	0.0	0.0
Total	11.8	31.9	0.0	0.0
Of which long-term provision amounts to	8.1	8.4	0.0	0.0
Total provisions	85.1	96.1	57.3	50.1

Note 23 Inter-Group transactions

Of the Parent Company's invoiced sales, intra-Group sales accounted for 2,948.7 MSEK (2,968.3). Of this sum, 2,418.0 MSEK (2,357.8) related to sales to Clas Ohlson AS in Norway, 528.3 MSEK (601.4) to sales to Clas Ohlson Oy in Finland, 3.7 MSEK (8.8) to sales to Clas Ohlson Ltd in the UK and -1.4 MSEK (0.3) sales to Clas Ohlson GmbH in Germany. No purchases were made from subsidiaries.

Note 24 Participations in Group companies

Parent company	2020/21	2019/20
Accumulated acquisition value		
Opening value	39.3	39.3
Shareholder contribution	0.0	0.0
Total	39.3	39.3

The table below shows Clas Ohlson AB's holding of shares and participations in subsidiaries according to the balance sheet 30/4. All companies are owned 100 per cent (C/O P Investment AB 30,5 per cent). The Group has made assessment that Clas Ohlson AB is deemed to have de facto control over C/O P Investment AB and therefore consolidated. 100% of the shares in C/O P Investment AB was acquired after the end of the period.

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

Country	Company	Registered office	Registration number	2021-04-30		2020-04-30	
				Number of shares	Value MSEK	Number of shares	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	Sweden	559160-9903	305	10.0	305	10.0
Total					39.3		39.3

Note 25 Securities held as fixed assets

The table below indicates fair value for financial assets in the Group. The financial instruments are categorized on three levels:

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	2020/21	2019/20
Securities held as fixed assets, valued at fair value at the beginning of the year	252.3	225.3
Acquisition	0.0	27.0
Change in fair value during the year	53.5	0.0
Securities held as fixed assets, valued at fair value at the end of the year.	305.8	252.3

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

Company: Mathem

Valuation: Method

Applying a multiple of 1.7 times the company's last twelve months revenues as per 31 December 2020.

The multiple is referenced from a peer group of inventory-holding e-commerce retailers.

Equity value of 305.8 MSEK.

Value changes are accounted for in Other comprehensive income.

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

Country	Company	Registered office	Registration number	Number of shares	Percentage of votes	2021-04-30	2020-04-30
						Value MSEK	Value MSEK
Sweden	Mathem i Sverige AB	Stockholm	556775-7264	761,480	8%	305.8	252.3
Total						305.8	252.3

Note 26 Appropriations

Parent Company	2020/21	2019/20
<i>The difference between recognised depreciation and depreciation according to plan:</i>		
– equipment, tools, fixtures and fittings	-6.2	-39.0
– land and buildings	0.0	0.0
<i>Provision for tax allocation reserves</i>		
Provisions for the year	28.4	29.0
Parent Company total	22.2	-10.0

Note 27 Cash and bank balances

Parent Company	2020/21	2019/20
Cash and bank balances	480.0	23.3
Parent Company total	480.0	23.3

At the end of the year, utilised overdraft facilities in the Group, which are not included in cash and cash equivalents, totalled 0 MSEK (67.2). Unutilised overdraft facilities in the Group amounts to 1,100 MSEK (1,000).

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

Note 28 Untaxed reserves

Parent Company	2020/21	2019/20
<i>Accumulated difference between recognised depreciation and depreciation according to plan:</i>		
– equipment, tools, fixtures and fittings	483.7	477.5
– land and buildings	0.0	0.0
<i>Provision for tax allocation reserve</i>		
Tax 2015	0.0	138.0
Tax 2016	123.0	123.0
Tax 2017	131.0	131.0
Tax 2018	63.0	63.0
Tax 2019	0.0	0.0
Tax 2020	72.0	72.0
Tax 2021	109.6	0.0
Parent Company total	982.3	1,004.5

Note 29 Pledged assets

	Group		Parent Company	
	2020/21	2019/20	2020/21	2019/20
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 contracted 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 0.0 MSEK (67.2) in the year end. Total credit limits granted in the Group and in the Parent Company amounts to 1,100 MSEK (1,000).

Note 30 Leases**Balance sheet:**

	Group	
	2020/21	2019/20
Right-of-use assets		
Facilities	1,876.1	2,023.5
Cars	1.6	1.8
Other	37.3	34.6
Closing balance at 30 April 2021	1,915.0	2,059.9

For further description of rights-of-use assets, see note 12.

Income statement:

	2020/21	2019/20
Depreciation of right-of-use assets	-486.2	-471.6
Interest on the lease liability	-60.6	-64.3
Variable leasing fees	-23.3	-12.4
Cost of short-term lease	-1.4	-12.9
Costs of low value leases, not short-term lease of low value	-19.1	-16.6
Revenue from sublease of right-of-use assets	8.9	25.2
Total result effects attributable to leasing agreements	-581.8	-552.5

Cash-flow statement:

	2020/21	2019/20
Interest	-60.6	-64.3
Amortization	-538.3	-466.6
Payment of variable, short-term and low value lease fees	-43.8	-41.8
Revenue from sublease of right-of-use assets	8.9	25.2
Total cash flow effects attributable to leasing agreements	-633.9	-547.5

For information on the maturity structure of the Group's leasing payments, see Note 2 on page 71.

Change in lease liability	2020/21	2019/20
<i>Lease liability at 1 May</i>	2,196.2	2,259.0
New and changed lease agreements	346.2	524.6
Amortization	-538.3	-466.6
Translation differences	37.5	-120.7
Lease liability at 30 April	2,041.6	2,196.2

Leases of premises

The Group's leases of premises relates to stores, offices and warehouses. The leases normally have a term between three and ten years. The structure of charges in the leases varies between fixed lease payments and leases with a varying degree of variable lease charges. The variable lease charges 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 23 MSEK for 2020/21, which were charged to the income statement for the financial year. Index clauses are included 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 leasing contracts are classified as operational lease 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	
	2020/21	2019/20
Leasing costs for the year	356.0	351.8
Contracted future rents		
Within a year	268.3	294.5
Between one and four years	522.6	411.7
More than four years	148.1	28.4
Total lease commitments	939.0	734.6
Parent Company	2020/21	2019/20
<i>Contingent liabilities, Parent Company</i>		
Guarantee in favour of Group companies pertaining to future rental commitments	192.5	189.0

Note 31 Related-party transactions

The number of shareholders in the company totaled 38,341 at end of financial year. The major shareholders are Clas Ohlson's descendants from 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 financial year 2020/21 or previous year. Remuneration of the Board and senior management is presented in Note 6 to the Annual Report. For further description, refer to the corporate governance report, pages 47-51.

Note 32 Average numbers of employees

	Group		Parent Company	
	2020/21	2019/20	2020/21	2019/20
Total Sweden	1,855	1,790	1,855	1,790
– of whom, women	(872)	(716)	(872)	(716)
Total Norway	797	775		
– of whom, women	(327)	(302)		
Total Finland	300	356		
– of whom, women	(162)	(185)		
Total China	50	50		
– of whom, women	(29)	(25)		
Total UK	10	15		
– of whom, women	(5)	(8)		
Total Germany	1	1		
– of whom, women	(0)	(0)		
Total	3,013	2,987	1,855	1,790
– of whom, women	(1,395)	(1,236)	(872)	(716)

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.

Sales per segment	2020/21	2019/20
Sweden	3,747.6	3,990.6
Norway	3,522.2	3,589.9
Finland	958.6	1,085.9
Outside Nordic countries	56.0	91.9
Group-wide	2,948.7	2,968.3
Eliminations of sales to other segments	-2,948.7	-2,968.3
Total	8,284.4	8,758.3

Operating profit per segment	2020/21	2019/20
Sweden	154.0	163.6
Norway	150.7	151.2
Finland	33.9	33.7
Outside Nordic countries	3.2	2.8
Group-wide	266.4	197.9
Total	608.2	549.2

Assets per segment	2020/21	2019/20
Sweden	545.0	599.8
Norway	506.0	486.1
Finland	167.4	200.3
Outside Nordic countries	16.1	21.4
Group-wide	4,359.0	4,394.8
Total	5,593.6	5,702.4

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

Investment and depreciation per segment	Investment		Depreciation	
	2020/21	2019/20	2020/21	2019/20
Sweden	26.0	15.5	31.2	36.9
Norway	42.6	13.1	39.5	44.8
Finland	13.1	17.8	11.7	13.5
Outside Nordic countries	0.2	3.2	0.4	-1.2
Group-wide ¹	146.1	181.3	631.2	593.3
Total	227.9	231.0	714.0	687.3

¹Investments in intangible assets amounted to 82.6 MSEK (143.5). Depreciation attributable to intangible assets amounted to 86.3 MSEK (61.9). Investment in Mathem i Sverige AB amounted to 0.0 MSEK (27.0).

Note 34 Events after the end of the period**End of performance period, Long-term Incentive Plan, LTI 2018**

The qualification and performance periods for the LTI 2018 long-term incentive plan ran from 1 May 2018 until 30 April 2021. After the end of the reporting period, a total of 5,916 shares were allotted on 3 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 2018–2021 were not achieved, meaning that no options were allotted to the participants and, accordingly, the LTI 2018 has been concluded.

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 2 July 2021

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)

Lasse Zwetsloot
Employee representative (Handels)

Our audit report was submitted on 2 July 2021.

Deloitte AB

Johan Telander
Authorized Public Accountant

The balance sheets and income statements are to be adopted at the Annual General Meeting on 10 September 2021.

Auditor's report

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

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Clas Ohlson AB (publ) for the financial year 2020-05-01 - 2021-04-30 except for the corporate governance statement on pages 47-51. The annual accounts and consolidated accounts of the company are included on pages 35-85 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 2021 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 2021 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. Our opinions do not cover the corporate governance report on pages 47-51. 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 the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

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 1,832 million as of April 30, 2021. Inventories comprise a substantial part of the group's assets and consists of a large number of articles assorted over 228 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 51, Estimates and assumptions on page 65, group accounting principles for inventory on page 68 and note 13.

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 8,284.4 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 51 and note 33 segment reporting.

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 3-34 and 89-118. 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however

not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

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.

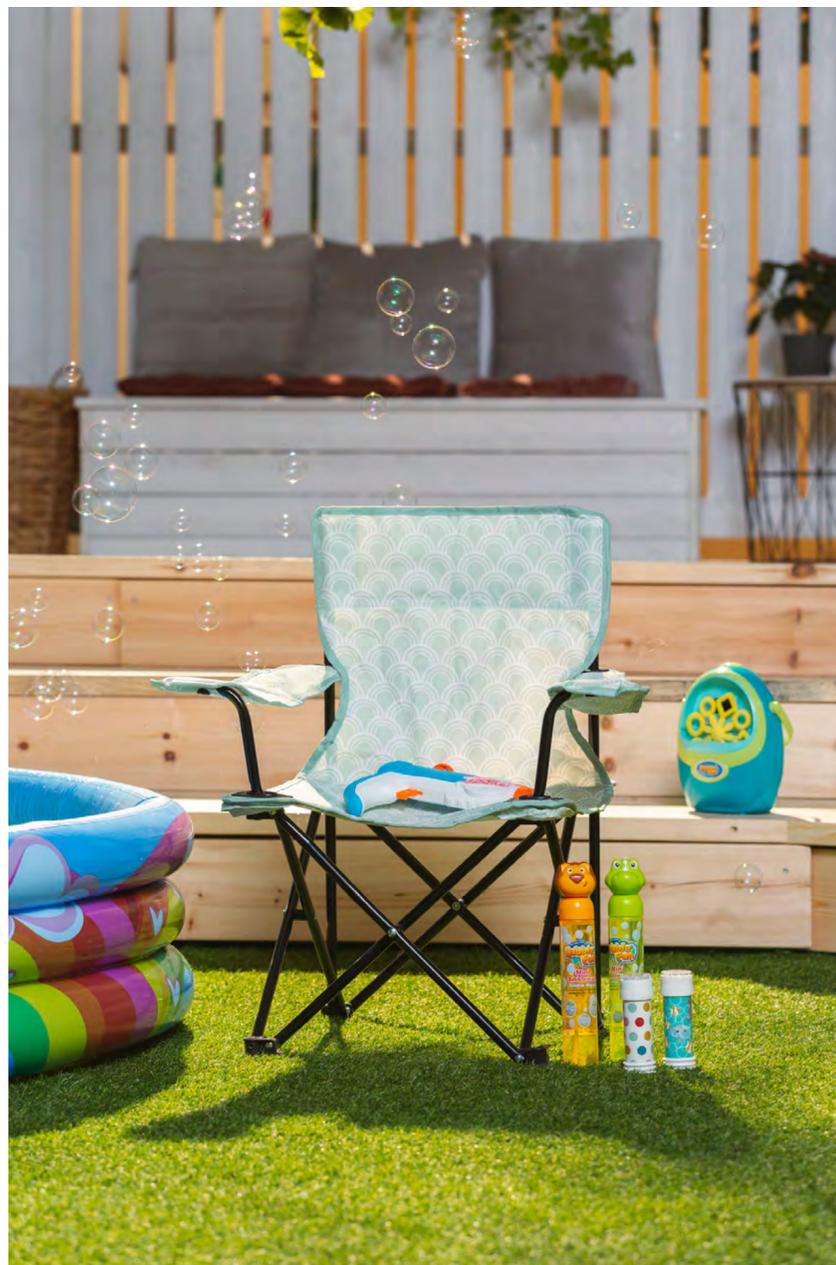
Auditor's responsibility

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 Directors of Clas Ohlson AB (publ) for the financial year 2020-05-01 - 2021-04-30 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 Directors 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 any of the Managing Directors 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.revisorsinspektionen.se/revisornsansvar. This description forms part of the auditor's report.

Auditor's examination of the corporate governance report

The Board of Directors is responsible for that the corporate governance statement on pages 47-51 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 RevU 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 AB by the general meeting of the shareholders on the 2020-09-12 and has been the company's auditor since 2013-09-07.

Stockholm, July 2, 2021
Deloitte AB

Johan Telander
Authorized Public Accountant

Quarterly results

	2020/21				2019/20			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	1 May 2020 -31 Jul 2020	1 Aug 2020 -31 Oct 2020	1 Nov 2020 -31 Jan 2021	1 Feb 2021 -30 Apr 2021	1 May 2019 -31 Jul 2019	1 Aug 2019 -31 Oct 2019	1 Nov 2019 -31 Jan 2020	1 Feb 2020 -30 Apr 2020
MSEK								
Sales	2,074.3	2,036.2	2,635.3	1,538.5	2,044.0	2,165.4	2,905.4	1,643.5
Cost of goods sold	-1,272.6	-1,184.7	-1,546.1	-925.2	-1,264.3	-1,274.8	-1,741.2	-987.8
Gross profit	801.7	851.5	1,089.2	613.3	779.7	890.6	1,164.1	655.7
Selling expenses	-583.4	-651.1	-683.3	-629.7	-641.5	-700.1	-732.2	-646.2
Administrative expenses	-50.7	-49.7	-46.8	-48.0	-58.7	-57.6	-53.6	-50.9
Other operation income/expenses	-1.4	-3.0	-0.9	0.3	-0.1	-0.3	-0.3	0.6
Operating profit	166.2	147.8	358.3	-64.0	79.4	132.6	378.0	-40.9
Financial income	0.1	0.1	0.1	0.1	0.0	0.0	0.1	0.0
Financial expense	-16.2	-16.0	-15.5	-15.9	-16.7	-16.7	-16.6	-17.6
Profit after financial items	150.1	131.8	342.8	-79.8	62.7	116.0	361.5	-58.5
Income tax	-33.5	-27.2	-78.0	15.1	-13.9	-25.3	-78.6	12.0
Profit for the period	116.6	104.6	264.8	-64.7	48.8	90.7	282.9	-46.5
Key ratios for the period								
Gross margin, %	38.7	41.8	41.3	39.9	38.1	41.1	40.1	39.9
Operating margin, %	8.0	7.3	13.6	-4.2	3.9	6.1	13.0	-2.5
Operating margin, excl IFRS 16, %	7.1	6.4	13.0	-5.3	2.6	4.9	12.2	-3.7
Earnings per share before dilution, SEK	1.84	1.65	4.18	-1.02	0.77	1.43	4.47	-0.73
Earnings per share after dilution, SEK	1.84	1.65	4.18	-1.02	0.77	1.43	4.47	-0.73

Comments to the quarterly results

No new store (0) were opened during the first quarter 2020/21 and zero stores were closed (0). One new store (2) were opened during the second quarter and one store were closed (2). In the third quarter two new stores (0) were opened and three stores were closed (2). Three new stores (1) were opened during the fourth quarter and two stores were closed (3).

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.

Average inventory value

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

Capital employed

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

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 excl IFRS 16

Operating profit adjusted for items not included in cash flow, interest, paid tax and change in working capital excl effect on operating costs, interest and depreciation according to IFRS 16.

Cash flow from operating activities per share

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

Cash flow from operating activities per share excl IFRS 16

Cash flow from operating activities divided by the average number of shares before dilution excl effect on operating costs, interest and amortization according to IFRS 16.

Comprehensive income per share

Comprehensive income divided by average number of shares before dilution.

Dividend yield

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

Earnings per share (before and after dilution)*

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

EBITDA

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

EBITDA excl IFRS 16

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

Equity per share

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

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.

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.

Operating margin

Operating profit divided by sales for the period.

Operating margin excl IFRS 16

Operating profit, excl effects on operating costs according to IFRS 16, 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 costs according 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.

Payout ratio

Dividend divided by earnings per share before dilution.

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.

Sales growth

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

Share of selling expenses, %

Selling expenses in relation to sales.

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.

Working capital

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

* Defined in accordance with IFRS.

Glossary

Average receipt

Average amount per purchase.

Clas Office

Our concept that facilitates purchases for our corporate customers.

Club Clas

Our loyalty program, our loyalty club.

CO100+

An action programme where our strategic initiatives have been defined. The programme contains initiatives to drive sales growth and cost reductions mainly in the following areas: A more optimised product range, enhanced purchasing efficiency, administration, logistics and customer offering.

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.

Comparable units

Units that have been in operation during the current period and the entire year-earlier period.

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 good is displayed in a store or delivered to the customer.

GDPR

The EU's new General Data Protection Regulation sets requirements covering the handling of personal data and applies in all EU countries from May 2018.

GRI

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

Level of service

Percentage of product range that is available "on the shelf" in our sales channels.

Nasdaq Stockholm

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

Omni-channel

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

Online Sales

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

Products for a more sustainable lifestyle

Products with a positive, or significantly lower, environmental impact throughout their life cycle than a standard product.

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.

Store traffic

Number of visitors.

UN Global Compact

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

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 89-90. The APMs recognised in this annual report may differ from similarly named measures used by other companies.

Average inventory value

	Group	
	2020/21	2019/20
Average inventory value	1,731.4	1,968.1

Capital employed

	Group	
	2020/21	2019/20
Total assets	6,127.4	5,782.4
Long-term non-interest-bearing liabilities	-209.9	-232.1
Current non-interest-bearing liabilities	-1,680.7	-1,523.8
Capital employed	4,236.7	4,026.5

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

Cash flow from operating activities per share

	Group	
	2020/21	2019/20
Cash flow from operating activities	1,287.8	1,283.9
Number of shares before the dilution	63,345	63,274
Cash flow from operating activities per share	20.33	20.29

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.

Cash flow from operating activities per share excl IFRS 16

	Group	
	2020/21	2019/20
Cash flow from operating activities excl IFRS 16	749.5	817.1
Number of shares before the dilution	63,345	63,274
Cash flow from operating activities per share excl IFRS 16	11.83	12.91

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.

Comprehensive income per share

	Group	
	2020/21	2019/20
Comprehensive income for the period	432.3	357.9
Average number of shares before dilution	63,345	63,274
Comprehensive income per share	6.82	5.66

Dividend Yield

	Group	
	2020/21	2019/20
Dividend per share	6.25	-
Share price 30 April	90.65	85.55
Dividend Yield	6.9%	-

Earnings per share (before and after dilution)*

	Group	
	2020/21	2019/20
Profit for the year	421.3	375.9
Number of shares before dilution	63,345	63,274
Number of shares after dilution	63,357	63,298
Number of shares before dilution	6.65	5.94
Number of shares after dilution	6.65	5.94

* Defined in accordance with IFRS

EBITDA

	Group	
	2020/21	2019/20
Operating profit	608.2	549.2
Depreciation	714.0	687.3
EBITDA	1,322.2	1,236.5

Reason for use: Measures the operative financial performance before depreciation.

EBITDA excl IFRS 16

	Group	
	2020/21	2019/20
Operating profit excl IFRS 16	537.8	453.8
Depreciation excl IFRS 16	227.8	215.7
EBITDA excl IFRS 16	765.6	669.5

Reason for use: Measures the operative financial performance before depreciation

Equity/assets ratio

	Group	
	2020/21	2019/20
Total equity	2,195.2	1,763.1
Total assets	6,127.4	5,782.4
Equity/assets ratio	35.8 %	30.5 %

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	
	2020/21	2019/20
Total equity excl IFRS 16	2,329.0	1,899.4
Total assets excl IFRS 16	4,219.7	3,722.6
Equity/assets ratio excl IFRS 16	55.2 %	51.0 %

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 per share

	Group	
	2020/21	2019/20
Total equity	2,195.2	1,763.1
Number of shares at end of period	63.345	63.337
Equity per share	34.65	27.84

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.

Gross margin

	Group	
	2020/21	2019/20
Gross profit	3,355.8	3,490.2
Sales	8,284.4	8,758.3
Gross margin	40.5%	39.8 %

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	
	2020/21	2019/20
Sales	8,284.4	8,758.3
Cost of goods sold	-4,928.6	-5,268.1
Gross profit	3,355.8	3,490.2

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.

Net debt

	Group	
	2020/21	2019/20
Interest bearing liabilities	2,041.6	2,263.4
Cash and cash equivalents	533.8	80.1
Total Net debt	1,507.8	2,183.3

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

Net debt excl IFRS 16

	Group	
	2020/21	2019/20
Interest bearing liabilities excl lease liabilities	0.0	67.2
Cash and cash equivalents	533.8	80.1
Total Net debt excl IFRS 16	-533.8	-12.9

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

Operating margin

	Group	
	2020/21	2019/20
Operating profit	608.2	549.2
Sales	8,284.4	8,758.3
Operating margin	7.3 %	6.3 %

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

Operating margin excl IFRS 16

	Group	
	2020/21	2019/20
Operating profit excl IFRS 16	537.8	453.8
Sales	8,284.4	8,758.3
Operating margin excl IFRS 16	6.5 %	5.2 %

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

Payout ratio

	Group	
	2020/21	2019/20
Dividend	6.25	-
Earnings per share before dilution	6.65	5.94
Payout ratio	94.0 %	-

Return on capital employed

	Group	
	2020/21	2019/20
Operating profit	608.2	549.2
Interest income	0.3	0.1
Average capital employed	3,994.7	4,056.1
Return on capital employed	15.2%	13.5 %

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

Return on equity

	Group	
	2020/21	2019/20
Profit for the year	421.3	375.9
Average equity	2,010.5	1,758.0
Return on equity	21.0%	21.4 %

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

Sales growth

	Group	
	2020/21	2019/20
Sales actual period	8,284.4	8,758.3
Sales previous period	8,758.3	8,772.3
Sales growth	-5.4 %	-0.2 %

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

Total return

	Group	
	2020/21	2019/20
Share price at the beginning of the year	85.55	78.80
Share price at the end of the year	90.65	85.55
Re-invested dividend	0.00	6.25
Total	5.10	13.00
Total return	5.96 %	16.50 %

Working capital

	Group	
	2020/21	2019/20
Total current assets	2,472.1	2,071.0
- Cash and cash equivalents	-533.8	-80.1
- Current non-interest bearing liabilities	-1,680.7	-1,523.8
Working capital	257.6	467.1

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



Ten-year summary

MSEK	2020/21	2019/20	2018/2019	2017/2018	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013	2011/2012
INCOME STATEMENT										
Sales	8,284.4	8,758.3	8,772.3	8,210.7	7,990.1	7,601.6	7,329.8	6,807.7	6,518.9	6,260.0
Operating profit	608.2	549.2	94.0	468.3	609.9	506.4	596.0	530.5	430.6	560.6
Operating profit, excl IFRS 16	537.8	453.8	94.0	468.3	609.9	506.4	596.0	530.5	430.6	560.6
Profit before tax	544.9	481.8	91.9	467.1	608.9	507.6	597.2	530.2	419.9	551.0
Income tax	-123.6	-105.8	-20.3	-109.3	-130.2	-128.8	-138.3	-124.8	-88.4	-150.5
Profit for the year	421.3	375.9	71.6	357.8	478.7	378.8	458.9	405.4	331.5	400.5
BALANCE SHEET										
Non-current assets	1,325.1	1,323.8	1,388.5	1,469.5	1,404.5	1,397.8	1,399.9	1,424.2	1,461.6	1,515.0
Right-of-use assets	1,915.0	2,059.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-current receivables	415.2	327.7	246.8	239.4	18.5	18.1	11.6	8.1	3.2	3.5
Inventories	1,831.7	1,811.2	1,987.3	2,038.0	1,630.7	1,639.2	1,569.3	1,348.2	1,303.9	1,228.7
Current receivables	106.6	179.8	249.4	336.9	220.6	263.4	242.5	229.5	214.9	197.5
Cash and cash equivalents	533.8	80.1	105.0	115.8	625.1	604.3	517.4	358.3	124.6	111.8
Total assets	6,127.4	5,782.4	3,976.9	4,199.7	3,899.4	3,922.8	3,740.7	3,368.3	3,108.2	3,056.5
Equity attributable to owners of the parent	2,189.4	1,756.9	1,940.8	2,263.9	2,250.7	2,138.8	2,144.5	1,964.9	1,836.5	1,843.8
Equity attributable to non-controlling interests	5.8	6.2	6.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity	2,195.2	1,763.1	1,947.3	2,263.9	2,250.7	2,138.8	2,144.5	1,964.9	1,836.5	1,843.8
Long-term lease liabilities, interest bearing	1,542.7	1,672.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-current liabilities, interest-bearing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-current liabilities, non-interest-bearing	209.9	232.1	204.8	227.4	226.8	195.2	213.3	206.5	185.7	195.7
Current lease liabilities, interest bearing	498.8	523.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities, interest-bearing	0.0	67.2	283.1	0.0	0.0	0.0	0.0	0.0	0.0	30.0
Current liabilities, non-interest-bearing	1,680.7	1,523.8	1,541.7	1,708.4	1,421.9	1,588.8	1,382.9	1,196.9	1,086.0	987.0
Total equity and liabilities	6,127.4	5,782.4	3,976.9	4,199.7	3,899.4	3,922.8	3,740.7	3,368.3	3,108.2	3,056.5
CASH FLOW										
Cash flow from operating activities	1,287.8	1,283.9	312.0	372.8	698.9	704.6	647.3	689.1	517.8	964.9
Investments	-227.9	-231.0	-211.4	-497.2	-263.5	-274.1	-192.3	-171.8	-166.5	-206.1
Cash flow after investments	1,059.9	1,052.9	100.5	-124.4	435.4	430.5	455.0	517.3	351.3	758.8
Financing activities	-605.8	-1,073.2	-112.0	-389.8	-418.0	-335.9	-298.9	-283.6	-334.4	-781.5
Cash flow for the year	454.1	-20.3	-11.5	-514.2	17.5	94.6	156.1	233.7	16.9	-22.7

MSEK	2020/21	2019/20	2018/2019	2017/2018	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013	2011/2012
KEY RATIOS										
Growth in sales, %	-5.4	-0.2	6.8	2.8	5.1	3.7	7.7	4.4	4.1	7.4
Gross margin, %	40.5	39.8	39.8	40.0	41.2	42.4	42.9	42.6	41.6	42.1
Operating margin, %	7.3	6.3	1.1	5.7	7.6	6.7	8.1	7.8	6.6	9.0
Operating margin, excl IFRS 16, %	6.5	5.2	1.1	5.7	7.6	6.7	8.1	7.8	6.6	9.0
Return on capital employed, %	15.2	13.5	4.1	21.0	28.4	23.6	29.3	28.0	23.2	27.9
Return on equity, %	21.0	21.4	3.5	16.0	22.4	17.6	22.5	21.7	18.3	23.1
Equity/assets ratio, %	35.8	30.5	49.0	53.9	57.7	54.5	57.3	58.3	59.1	60.3
Equity/assets ratio, excl IFRS 16, %	55.2	51.0	49.0	53.9	57.7	54.5	57.3	58.3	59.1	60.3
Net debt/EBITDA	1.1	1.8	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Net debt/EBITDA, excl IFRS 16	-0.7	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Sales per square metre in store, SEK thousand	29.4	31.9	30.8	31	31	30	30	30	31	34
Number of stores at year-end	228	228	232	229	216	205	198	185	174	157
Number of full-time equivalent employees	3,013	2,987	3,099	2,951	2,835	2,787	2,736	2,629	2,524	2,370
DATA PER SHARE										
Average number of shares before dilution	63,345,330	63,273,680	63,217,741	63,200,598	63,052,803	63,167,924	63,121,729	63,137,148	63,349,241	63,635,998
Average number of shares after dilution	63,356,993	63,297,575	63,230,062	63,311,743	63,254,614	63,461,923	63,400,934	63,243,692	63,421,154	63,702,052
Number of shares at period end	63,345,417	63,337,447	63,217,794	63,208,135	63,083,438	63,376,420	63,216,061	63,140,994	63,287,808	63,615,000
Earnings per share before dilution, SEK	6.65	5.94	1.13	5.66	7.59	6.00	7.27	6.42	5.23	6.29
Earnings per share after dilution, SEK	6.65	5.94	1.13	5.65	7.57	5.97	7.24	6.41	5.23	6.29
Comprehensive income per share, SEK	6.82	5.66	1.26	6.37	8.30	5.07	7.41	6.41	4.68	6.75
Cash flow per share, SEK	20.33	20.29	4.93	5.90	11.08	11.15	10.25	10.91	8.17	15.16
Cash flow per share excl IFRS 16, SEK	11.83	12.91	4.93	5.90	11.08	11.15	10.25	10.91	8.17	15.16
Equity per share, SEK	34.65	27.84	30.8	35.82	35.68	33.75	33.92	31.12	29.02	28.98
Share price 30 April, SEK	90.65	85.55	78.8	96	147	162	143	143	87	99
Dividend per share, SEK	6.25	-	6.25	6.25	6.25	5.75	5.25	4.75	4.25	4.25
P/E ratio	14	14	70	17	19	27	20	22	17	16
Dividend Yield, %	6.9	-	7.9	6.5	4.3	3.5	3.7	3.3	4.9	4.3

Comments*

Sales

Sales declined by 5 per cent to 8,284 MSEK (8,758). Organic sales declined by 1 per cent and sales in comparable units and local currency declined by 1 per cent.

Number of stores

During the financial year, six new stores (3) opened, three in Sweden and three in Norway. During the fiscal year, six stores (7) have been closed, three in Sweden and three in Norway. The number of stores at the end of the period was 228, of which 97 in Sweden, 90 in Norway, 40 in Finland and one in the UK.

Gross Margin

The gross margin was 40.5 per cent (39.8). During the financial year, the gross margin was positively impacted by an improved product mix, lower campaign intensity and lower sourcing costs. This was largely offset by a weaker sales currency (NOK) and a stronger purchasing currency (USD) in relation to the SEK. Effects attributable to currency hedging (NOK) from both currency forwards and exchange-rate effects related to delays in inventory had a marginal impact during the period.

Operating profit

Operating profit amounted to 608 MSEK (549). IFRS 16 had a positive effect of 70 MSEK on operating profit, resulting in operating profit of 538 MSEK (454) excluding this effect. Operating profit was positively impacted as a result of COVID-19 relief concerning sick pay compensation totalling 17 MSEK. These have been reported as a reduction in cost of the items the subsidy pertains to once the criteria are deemed to have been met.

Operating margin

The operating margin was 7.3 per cent (6.3). IFRS 16 had a positive effect on operating margin of 0.9 (1.1) of a percentage point.

Cash flow

Cash flow from operating activities during the financial year amounted to 1,288 MSEK (1,284). Cash flow for the period after investing and financing activities was 454 MSEK (-20). Excluding the effect of IFRS 16, cash flow from operating activities amounted to 749 MSEK (817). The cash dividend paid to Clas Ohlson's shareholders during the financial year totalled 0 MSEK (395).

Return

The return on capital employed amounted to 15.2 per cent (13.5) and the return on equity was 21.0 per cent (21.4).

* Refers to the financial year 2020/21.



Sustainability report 2020/21

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About the sustainability report

As a signatory of the Global Compact, this Annual and Sustainability Report comprises Clas Ohlson's Communication on Progress (COP).

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 table below shows where the requirements for sustainability information are presented in this Annual and Sustainability Report.



COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Area	Description	Page reference
General	Business model	14-19
Environment	Policy and environmental issues Risks and risk management in environmental issues Targets and results related to environmental issues	98, 103-106 41-45 18-19, 104-105
Social conditions	Policy and social issues Risks and risk management in social issues Targets and results related to social issues	98, 107 41-45 18-19
Employees	Policy and personnel issues Risks and risk management in personnel issues Targets and results related to personnel issues	98, 100 41-45 18-19
Respect for human rights	Policy and human rights Risks and risk management in human rights Targets and results related to human rights	98, 100-102 41-45 19, 108
Anti-corruption	Anti-corruption policy Risks and risk management in anti-corruption Targets and results related to anti-corruption	98, 107 41-45 19, 107



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 2020 to 30 April 2021 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 ex-

amination 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, 2 July, 2021,
Deloitte AB

Johan Telander
Authorised Public Accountant

Governance for a more sustainable lifestyle

We integrate key sustainability issues into our strategy, business model and governance. This is a long-term commitment, and a fundamental part of our operations. Every employee and function makes this transformation possible, both in their day-to-day work and at a general level.

Our strategy, "100 more years", entails that we will be a meaningful and trusted brand and company, and we can only achieve this if we genuinely and truly drive sustainability in all of our channels and dimensions. It is the responsibility of each function to drive and pursue this work based on our values, our Code of Conduct and our sustainability targets. All employees are informed continuously about the sustainability agenda, have access to digital training and seminars, and are involved in initiatives at various levels during the financial year. We believe this is the way to achieve the best results: a business that is sustainable in all areas and strong commitment from our employees. With the launch of the new sustainability strategy, we have renewed

and expanded our offering of sustainability training courses. Store employees are offered seasonal modules for enhancing their confidence to help customers simplify and enable a sustainable life in every home.

The overall strategy for our sustainability targets and level of ambition is decided annually by the Board. The responsibility for following up the established strategy, targets and initiatives resulting from the sustainability agenda lies with Group Management and the Head of Sustainability, who is a member of Group Management and reports directly to the President and CEO. Continuous follow-up of the operations and collaboration across the functions are conducted in

Selection of policies:

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

the Sustainability Strategy Leads forum, which holds monthly meetings. The Board of Directors is updated regularly regarding sustainability work being conducted in the company and the sustainability risks are reported not less than twice a year within the framework of risk reviews.

Our owners, partners and our customers also set demands for our sustainability work.

Our reporting, such as in our annual Sustainability Report in accordance with GRI, to CDP and in our financial statements, also comprises an important part of the governance of our sustainability activities.



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

Give some love to what you have

We have strengthened our offering of spare parts. On our website, we have made things clearer and more visible for our customers with a completely new search function. Related spare parts are also shown on more product pages. Even more products, such as solar-powered lamps, are now being designed with easily replaceable parts. Feeder stores have begun offering the most frequently used spare parts. This is a part of our business orientation to help our customers towards a more sustainable lifestyle. By extending the useful life of products through repairs and part replacement, we can promote a common, better future together.

Materiality analysis

Our way of working with sustainability and reporting impacts is based on analyses in which we have identified the most material aspects of the operations.

The materiality analysis contributes to identifying the issues that are most relevant for delivering long-term value creation to our most important stakeholders. It also enables identification of the impacts of our business model on the environment and society and the most important contributions to our overall operational targets, and to building Clas Ohlson as a meaningful and trusted brand and company.

In spring 2018, the materiality analysis was updated to be in line with our strategic framework, "100 more years". Following that, a review was conducted in early 2020 with exter-

nal expertise in order to establish the correct starting point and focus on material aspects in designing our sustainability strategy. This process continued up to the launch in the autumn of 2020, based on materiality, risk management and relevance for the business as well as environmental and social impact. The objectives will thus correlate with what we intend to achieve over the long term.

Continual materiality initiatives were carried out throughout the year, through regular dialogue with owners, employees, customers and other key stakeholders.

Dialogue for direction and development

A meaningful and trusted brand and company that delivers sustainable profitable growth must understand and satisfy stakeholder requirements and expectations. We maintain a close dialogue with our customers, employees, suppliers, owners and various players in society to understand how they view our operation, and what can be developed and changed.

Customers

Understanding our customers and their needs and expectations is vital to succeed in a competitive market. We interact with our customers every day in our physical stores, online and through our customer service centre. The 3.3 million members of our Club Clas loyalty programme also provide valuable information and important insight into how we can improve our offering. Our regular customer surveys show that we have very high customer satisfaction in all markets and that customers are very likely to recommend us to their friends and acquaintances. Our customers want relevant products and services that solve the challenges of everyday life at home, both large and small, and we are adapting ourselves to help them towards a more sustainable lifestyle.

Employees

About 4,500 employees in our various markets strive to provide our customers the very best service and the best offering. Committed and goal-oriented employees are fundamental to our growth and development, as are leadership, diversity, skills development, flexibility and a focus on health and well-being. We carry out one major survey and two smaller surveys every other year and ask employees about their opinion of Clas Ohlson, our strengths and areas for improvement. The most recent employee survey, from early 2021, showed a healthy work climate and good leadership. 78 per cent of employees are proud of working at Clas Ohlson, and the majority would recommend us to others as an employer.

Shareholders

Clas Ohlson series B shares have been listed on Nasdaq Stockholm since 1999 and at the



end of the financial year, the company had approximately 38,340 shareholders. Many shareholders have been with us for many years. Stable, engaged owners are pivotal for long-term profitability and sustainable development. We meet our shareholders at the Annual General Meeting, at shareholder and investor meetings, and at Capital Markets Days. Meetings with our major long-term shareholders usually take place in connection with interim reporting. Important information about shareholder value is obtained via the Nomination Committee and the Board. Shareholders value long-term sustainable and profitable growth as one of the most important issues.

Suppliers

We work with approximately 660 suppliers in Europe and 630 manufacturers in Asia. The number has been reduced since the previous financial year in our efforts for close, trusting relationships. A strong supplier network is a prerequisite for an affordable, innovative and sustainable offering. We are constantly moving towards products under our proprietary brands

and suppliers expect a long-term partnership and scope in return for meeting the robust requirements that we impose. 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 to move towards entering strategic partnerships based on jointly established targets.

Society

Clas Ohlson's activities influence, and are influenced by, various players who expect us to take responsibility for our actions throughout the value chain. The UN Agenda 2030 and the 17 Sustainable Development Goals clearly set out what challenges need to be solved over the years ahead. As a company, we are responsible for providing solutions, which we do in partnership with stakeholders. As a navigational aid, we comply with the UN Global Compact's ten principles in the areas of human rights, labour, environment and anti-corruption. To accelerate progress, we have linked up with the relevant partners and take part in several research and innovation projects.

A positive force in society

Sustainability is a prerequisite for our business, our brand and existence as a business, and thus is an integral part of being a trusted company.

By acting as a positive force in the communities in which we operate, we improve the confidence that our owners, employees, customers, and other local stakeholders have in us. We focus our social responsibilities on initiatives that are close to operations, including the rights of children and support for the UN Children's Rights and Business Principles. Our social responsibility is and should be linked to our operations – that is when it is the most effective and credible. This focus on children's rights is also directly connected to our playing field – the home – and all children's rights to a secure home and childhood. Viewing the impact that we have from the perspective of future generations promotes our long-term agenda.

The company also acts through the Clas Ohlson Foundation, and the initiatives carried out have also focused on children's rights, such as supporting Junior Achievement Sweden (innovations and entrepreneurship for young people), a partnership with Insjön school and emergency support for children in need.

Promoting parenthood for migrant workers and children's rights in China

We have worked together with Save the Children since 2012. The partnership was extended at the beginning of the financial year. Due to the pandemic, the partnership started off by focusing on managing the situation, with illness and changes to the family, health and hygiene, unemployment, home schooling and keeping





“The smart watch has really changed the way my ten-year-old daughter and I communicate. Ever since she got the watch, she has contacted me on her own initiative during the day, and I know what she’s doing before I come home in the afternoon. We also took part in the parents’ activities for children, and my daughter asked if she could come along again.”
 – Mother of two from Guangxi Province, China

families together. With the WeCare programme, the initiative was adapted to digital solutions for improving the situation for migrant-worker parents and their children at Clas Ohlson’s suppliers in China.

Some examples of activities during the year:

- Digital training courses, online information and advice on parenting remotely and home-schooling in a pandemic situation, also with the help of social media
- Distribution of smart watches for immediate communication remotely between children and migrant parents
- Activities via livestreaming to strengthen parent-child relationships

Training in employee rights

Over the last few years, in partnership with Quizrr, we have held more than 64,000 training courses in employee rights, responsibilities and parenthood for approximately 15,000 factory workers in China. We have now concluded our partnership with Quizrr, and the courses and our involvement in China are continuing with the help of Save the Children.

Plasters that heal more than wounds

A three-year collaboration was initiated with World Childhood Foundation in all our markets in 2019. The collaboration aims to train Clas Ohlson’s employees to become “Safe adults” – children’s rights ambassadors who will have the knowledge and means for how, as an adult, to create safety for children, and to take action

against violence and sexual abuse of children. We continued during the year, and to date over 1,700 employees – including co-workers at Clas Fix it – have taken the course.

In Sweden, Norway and Finland the collaboration also includes children’s rights plasters that are sold in all of our stores with all profits going to World Childhood Foundation. The writing on each plaster represents an article of the Convention on the Rights of the Child and is written so that it can be understood by small children, for example, “No one is allowed to hurt me.” The packaging also includes a folder that helps the person putting on the plaster to explain about children’s rights. Over 86,000 packages of children’s rights plasters were sold during the year.



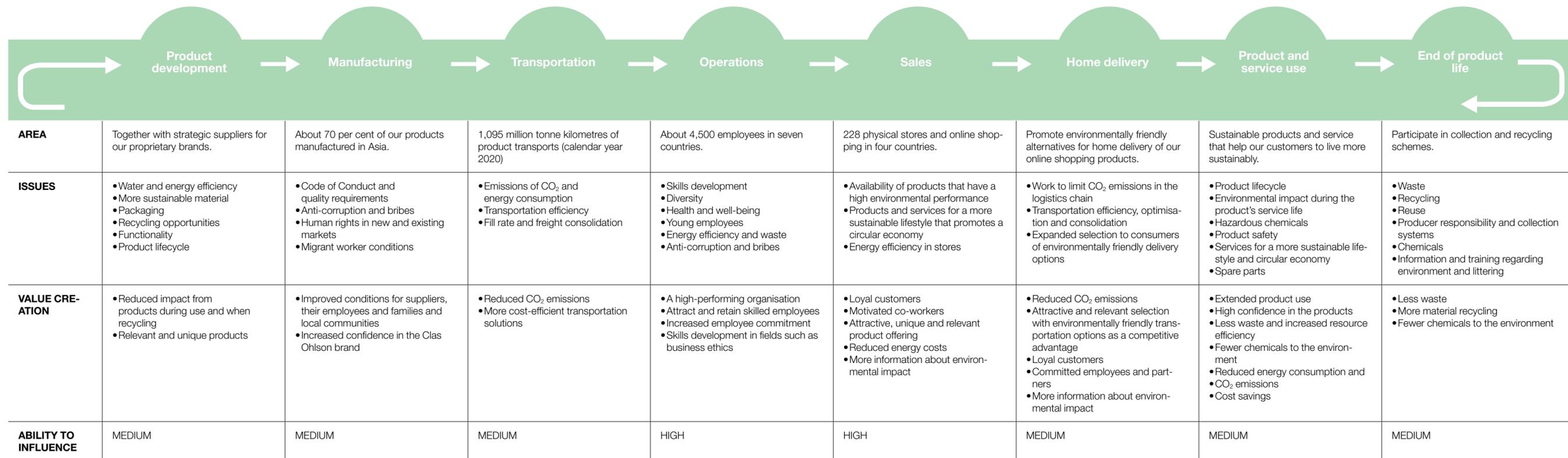
Our value chain

We take responsibility for all our operations, and integrate our sustainability initiatives along our entire value chain to ensure that over the long term it will be as resource-efficient as possible. Managing our positive and negative impact in an effective manner requires that we work on the material issues along the entire value chain.

Our responsibility extends beyond our own operations' direct impact to also encompass impacts that we contribute to or which we are connected to through our business relations with, for example, suppliers, transport companies, strategic partners and customers.

We also have considerable scope for influencing the various parts of the value chain.

Taking into consideration the entire value chain helps us to identify opportunities and risks, to understand boundaries and how we can create value for our stakeholders.



Climate neutral 2045

One of our overall sustainability targets is reducing our carbon emissions in line with the Paris Agreement. We will achieve this together.

We are subjecting our planet, which has limits to what it can tolerate, to severe stress. It is a fact that humanity is causing climate change and its grave consequences, such as global warming and the loss of biodiversity. As a business, we have a responsibility to reduce emissions of greenhouse gases into the atmosphere. Clas Ohlson will be here for 100 more years, and in our sustainability strategy we have decided on two major objectives to reduce emissions in line with the Paris Agreement and the 1.5°C target: becoming climate neutral and fully circular by 2045.

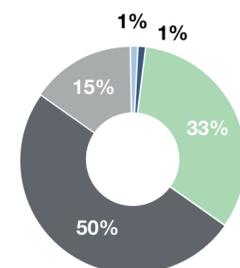
Lower emissions during the year

We have reported our annual CO₂ emissions according to the Greenhouse Gas (GHG) Protocols standard to the CDP (Carbon Disclosure Project) since 2015. We report our emissions every year to better understand where such emissions take place and take action to reduce them.

Our emissions are divided into three scopes: Scope 1 is direct GHG emissions from own operations; Scope 2 is indirect emissions that result from the generation of purchased energy for stores, distribution centre and offices; and Scope 3 is other indirect GHG emissions from the value chain such as business travel, incoming and outgoing transportation and waste from

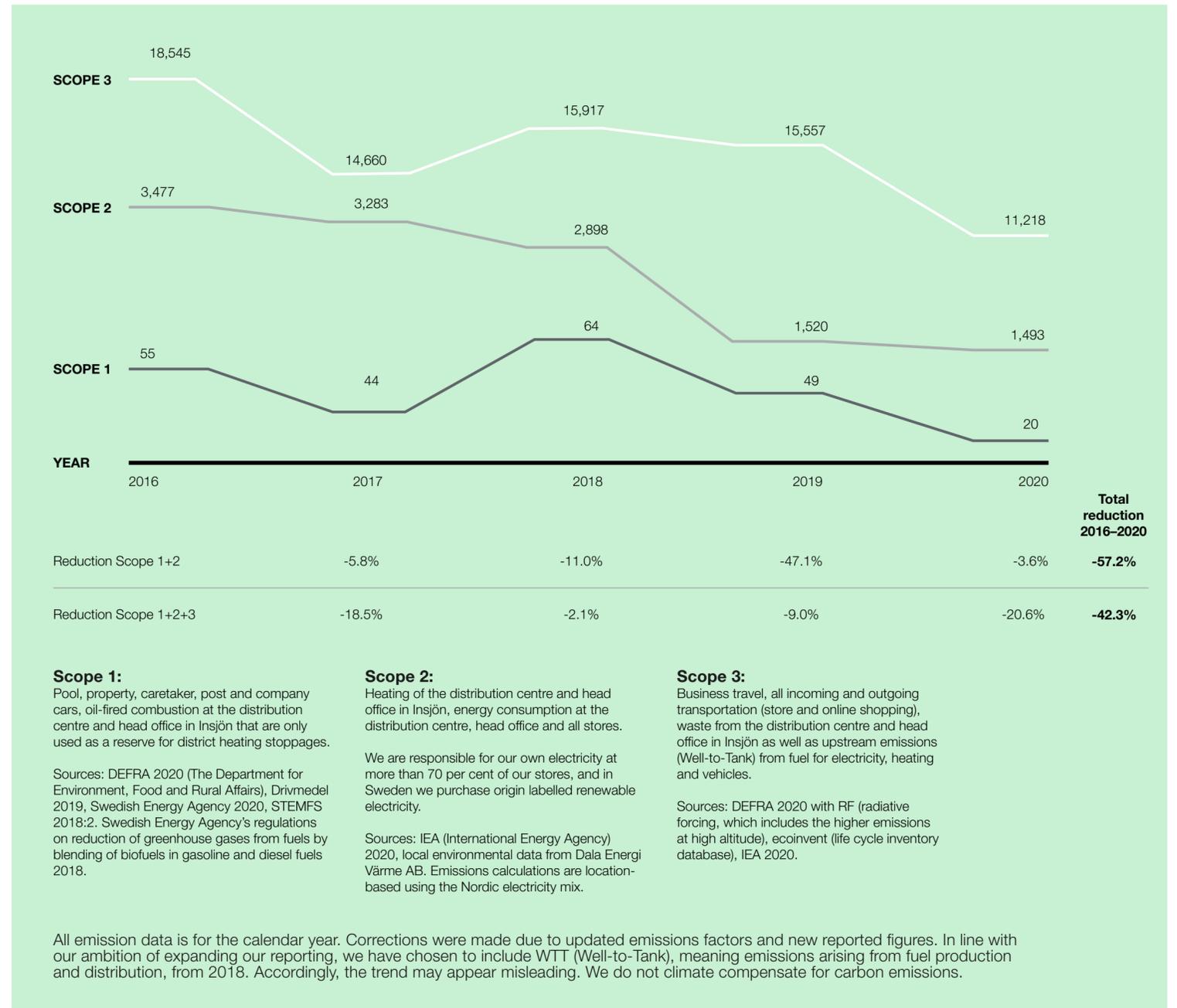
Scope 3 carbon emissions

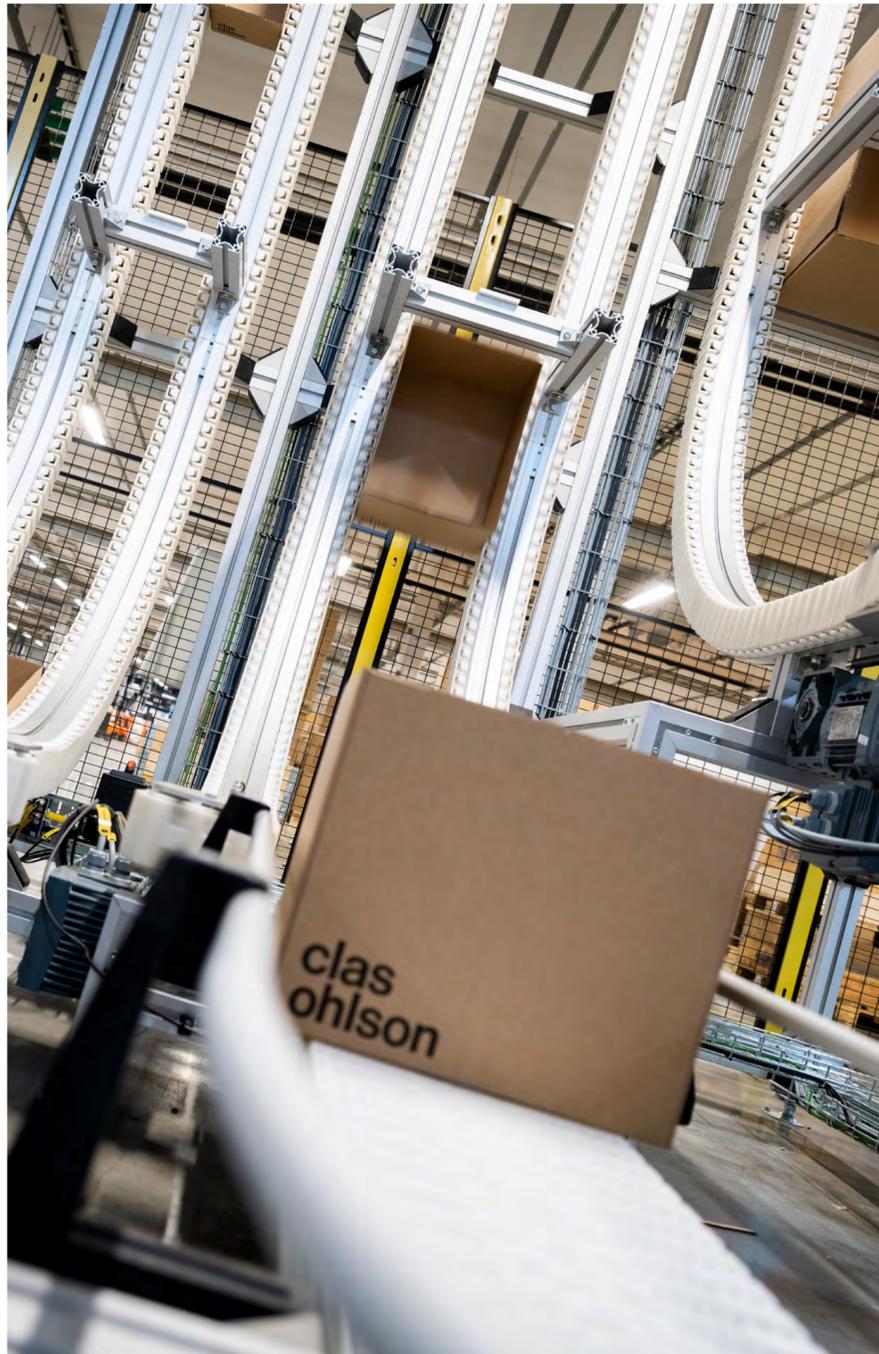
Distribution 2020



- Business travel
- Waste (DC, head office)
- Outgoing transportation (distribution to stores and via online shopping)
- Incoming transportation (Europe, Asia)
- Upstream emissions (WWT) from fuel

Carbon emissions 2016–2020, tCO₂e





the distribution centre and head office, as well as upstream emissions from fuel for electricity, heating and vehicles.

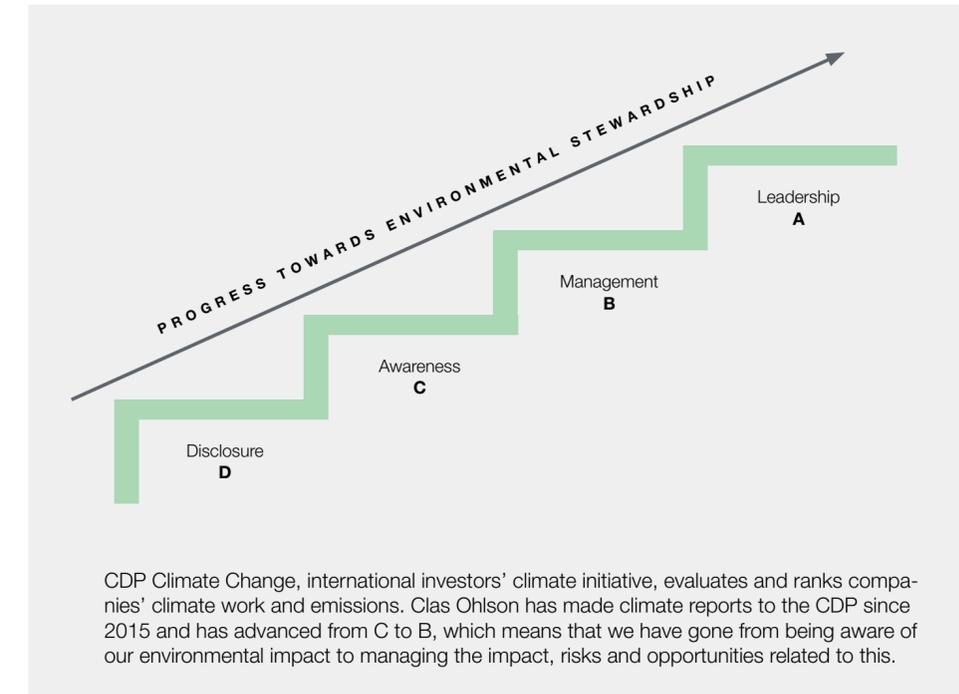
We reduced our GHG emissions under Scope 1 and 2 by 3.6 per cent during the year. The main cause is the closure of stores in the UK. The sharp reduction in Scope 1 was due to cutting the use of internal vehicles by more than half compared with 2019. We have also succeeded in keeping the number of district heating stoppages down, thereby having very little need of the oil-fired boiler in Insjön that serves as backup.

In Scope 2, we continued the switch to low-energy LED lighting in stores, increasing from 46 to around 50 per cent. This has enabled a decrease of 3 per cent in the average energy consumption in store space. When renovating, we selected fully recyclable carpeting that is manufactured from recycled material. Energy consumption in our distribution centre increased approximately 7 per cent compared with 2019. This was due to increased operating hours, for example, during the change to our new warehouse management system, and also to a temporary canteen tent that was raised owing to covid-19.

According to this year's calculations, Scope 3 represents slightly over 88 per cent of Clas Ohlson's total carbon emissions, the majority of which comes from transportation of our products. The absolute decreases during the year were due primarily to the lower volume of incoming and outgoing transportation from Asia. At the same time, all modes of transportation are continuing their journey towards cleaner

fuels, which has an effect on relative emissions – meaning grams of CO₂ per tonne kilometre transported. This year, we focused a great deal on optimising and enhancing the efficiency of both long-distance and local transportation. One activity that we can now see the effect of is our requirement that long-distance truck transportation between terminals (line hauls) within Sweden and Norway uses fossil-free fuel. Scope 3 also includes business travel, which was reduced by slightly over 80 per cent measured in carbon emissions. Despite soon being able to return to our workplaces, digital meetings are expected to continue as a replacement for some business travel.

Score of B in CDP ranking



Sustainable value chain

Clas Ohlson is continuing its journey towards quantifying more sources of emissions throughout the value chain. We know that emissions from materials in our products are the largest source of emissions. Clas Ohlson's emissions from the value chain are estimated to be 5-10 times higher than reported Scope 1, Scope 2 and transportation emissions. Significant emissions are also generated from use and waste management of sold products. Our product development, assessment model for sustainable products and supplier monitoring will be crucial areas for achieving our long-term goals.

Conscious choices

To simplify and enable a sustainable life in all kinds of homes, we use an assessment model to understand the impact of our products and to continually improve.

Clas Ohlson's products and services are central to helping our customers make the right choices. It is also crucial for achieving the sustainability targets we have set over the long term. Product manufacturing has the largest impact on the environment and the climate, which is why we put a great deal of focus on it.

We have been working on the classification of sustainable products for a long period of time, and we are proud of what we have achieved. Using an assessment model, we want to guide our customers to conscious consumption. The model is relative and focuses on continual improvement. This means it can be used for all types of products, and is built on a comparison with the age in which we live. Our starting point is that the level of knowledge in sustainability and technology is continually improving, which means that products need to be re-assessed after a certain period of time.

Products for a more sustainable lifestyle must meet our general requirements and show improvement in at least one of the following criteria:

- Materials
- Chemicals
- Energy and water
- Use, reuse, recycling and waste

Today, we approve various eco-labels such as Oeko-Tex, FSC, the Nordic Swan Ecolabel and EU Ecolabel. Since these cannot be applied to all types of products in our large range, we use an assessment model to make better choices and promote a more sustainable range. Our specialists analyse every single product.

In the autumn, an initiative to update the assessment model with several parameters and more stringent criteria was begun. A pilot study was conducted, and starting in 2022 all new products under our own brand will be assessed. The objective is to review the entire

product range in order to make it possible for us to gradually provide our customers with better help with sustainable solutions.

We are working continually on improving our offering of services that support a sustainable lifestyle. Examples include repairs, spare parts and rental. One important part of our sustainability efforts has been updating our product range strategy, which will be implemented going forward.

As part of our plastics strategy during the year, we continued replacing single-use items with fossil-free alternatives and products that can be used multiple times. All the waste bags we purchase are made from recycled plastic.

To help our customers make conscious choices, we guide them in our stores, online, via Customer Care and in our physical stores. The landing page for Conscious choices on our website is continually being developed to present the most relevant products and offers for the season.



Ethical business

Our Code of Conduct, Code of Business Ethics and core values describe Clas Ohlson's commitment to maintain high ethical norms when active in the market and when doing business. We place demands on each individual employee and strategic partner to maintain the same high level regarding a zero tolerance of corruption and conflicts of interest, while ensuring observance of competition laws. We have zero tolerance of corruption and bribery in all markets in which we operate, in both the Nordics and Asia. The Code of Business Ethics also includes our focus on children's rights, for example, it describes how we are expected to act if on a business trip we suspect abuse of children.

The Code of Business Ethics and Code of Conduct are adopted annually by the Board of Directors, and are included in every purchasing agreement and an increasing number of major contracts. We emphasise that violations of the Code of Business Ethics could lead to consequences under labour law and criminal law, and terminated partnerships.

For our employees, business partners and others affected by our operations we have an external whistleblowing service, WhistleB, for

reporting suspected deviations from the Code of Business Ethics and Code of Conduct. One case was reported and handled during the year.

In order to counteract the dissemination and storage of material depicting the abuse of children, we have now integrated the NetClean software program into our working computers.

Our largest risk of corruption is in the purchasing process and when signing major agreements. The geographical region where the risk of corruption is greatest is in Asia, where approximately 70 per cent of our products are manufactured. Therefore, we conduct regular training for all employees who work with purchasing and high-value contracts, and for our partners in Asia. Digital training and information, including the Code of Business Ethics, are available to all employees on the intranet.

Four deviations were reported during the year: two attempts at bribery, one anonymous case of whistleblowing and one case in which an employee demanded inappropriate benefits. One supplier partnership was discontinued and one employee was relieved.



Controlling the supply chain

Clas Ohlson's ambition is partnerships in close, trusting relationships with the suppliers that manufacture our products. We have a global team dedicated to monitoring our requirements and expectations regarding sustainability and ethics through audits and continual improvements.

This year, we continued our efforts to prevent deviations from the Code of Conduct by analysing results from audits and following up with concrete action plans. One challenge we continue to work on is achieving lasting change in the supply chain.

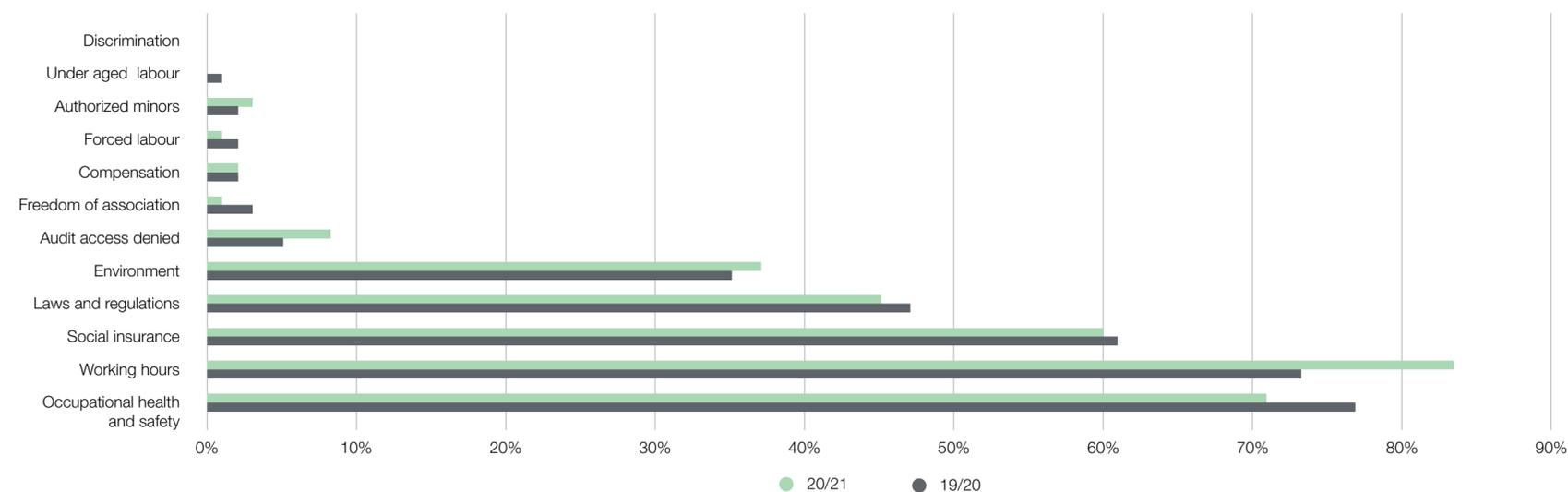
In China, we have internal auditors who conduct both announced and unannounced audits. A total of 260 audits were conducted during the financial year, compared with 148 in the preceding year. Of these audits, 51 were conducted for new suppliers. This has been a challenging time for many of the factories, with the uncertainty that the pandemic brought in the form of quarantines and rapidly changing demand. When production in China increased, we discovered a rising trend in cases of, for example, overtime work and insufficient social insurance. This is due in part to recruitment of

temporary factory employees in order to manage the increased volume of orders. These are common challenges in the region, which will be given greater focus in the wake of the pandemic.

During the year, we enlisted the help of a third party to develop a programme for environmental audits and conducted a pilot among some of our suppliers. We have now recruited one person whose work will focus on developing the programme and requiring that our suppliers improve their work on environmental and climate issues. We have been affiliated with Sedex since 2017,

a partnership for increased transparency regarding responsible purchasing that has now been integrated into our supplier programme. During the financial year, 41 of our suppliers were audited externally through Sedex, meaning that other members of Sedex make purchases from these suppliers. The Sedex partnership enables increased efficiency and transparency in our supply chain, which allows us to concentrate our resources on high-risk areas.

Deviations from the Code of Conduct when audited, %



Clas Ohlson's contribution to Agenda 2030



As part of Agenda 2030, the world has united around 17 Sustainable Development Goals, SDGs for putting an end to extreme poverty, reducing inequality and injustices in the world, promoting peace and justice and solving the climate crisis. Clas Ohlson has a vital role to play in making this a reality through shared efforts in all sectors of society. We will do our part by working strategically on our important sustainability issues. This is important for our business, how we are perceived as a financial asset, and especially from a customer perspective.

In 2018/19, we put together a basic map of the SDGs based on our areas of activity. For the launch of the new sustainability strategy, we pledged further to integrate Agenda 2030 into our strategic objectives as adopted by the Board of Directors.

The goal that remains the most significant for us, and where we have invested the most resources, is working with SDG 12 regarding sustainable consumption and production.

The table shows how our sustainability initiatives support the twelve SDGs that we worked actively on during the year.

SDG	Targets	Clas Ohlson's contribution to the SDG
	3.9 Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.	People are using large amounts of chemicals and substances that could be dangerous to ourselves and harm nature. We are monitoring developments and legislation, and test all of our products for hazardous and illegal substances before they are launched to market. Read more on pages 25, 44 and 106.
	4.7 Education for sustainable development and global citizenship.	Education is a prerequisite for achieving a sustainable world. We have increased our efforts to educate our employees in sustainability topics. Using the training tool Quizrr, we have educated workers in their rights, responsibilities and parenthood. Together with Save the Children, we continue to engage our suppliers and educate migrant workers in parenthood, as well as in their children's rights and well-being. In partnership with World Childhood Foundation, we inform and train our employees in identifying and preventing children from being subjected to violence and sexual abuse. Children's rights plasters are sold in stores and contain a simple message about children's rights. The packaging includes a folder that helps the person putting on the plaster to explain about children's rights. Read more on pages 5, 16, 19, 98, 101-102 and 107.
	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making.	Equality increases the possibilities of sustainable, peaceful development. Read about our work on diversity and equality issues, and gender distribution targets in all groups and at all levels, on pages 12-13, 19 and 45.
	7.2 Increase substantially the share of renewable energy in the global energy mix.	Access to sustainable, reliable and renewable energy and clean fuels is a precondition for meeting several of the challenges the world faces today. Read about how we are working with energy-smart products and solutions, energy efficiency in our stores, and emissions from transportation on pages 18, 22, 38, 44 and 104-105.
	8.4 Improve global resource efficiency in consumption and production. 8.5 Achieve full and productive employment and decent work for all women and men, and equal pay for work of equal value. 8.7 Eradicate forced labour, end human trafficking and eliminate the worst forms of child labour. 8.8 Protect labour rights and promote safe and secure working environments for all workers.	By protecting labour rights and promoting a safe working environments for all workers, we create the conditions for sustainable economic growth. Read about our work on audits and improvement efforts at plants in high-risk countries, our partnership with Sedex, educating workers in China through the training tool Quizrr, and our partnership with Save the Children on pages 5, 16, 19 and 101-102.
	10.3 Ensure equal opportunity and eliminate discrimination.	An equitable society is built on the principle of equal rights and opportunities for everyone regardless, for example, of gender, ethnicity, faith, disability and age. Diversity enables creativity and innovation, which helps us interact with our customers in the best way possible. Read more about our diversity initiatives on pages 12-13, 19 and 45.

Comment: the SDGs are available from sdgs.un.org/goals.

SDG	Targets	Clas Ohlson's contribution to the SDG
	11.6 Reduce the adverse per capita environmental impact of cities.	The number of people living in cities is increasing over time and smart and efficient solutions are needed that can reduce the environmental impact and improve our health. Some of the areas that Clas Ohlson works with are transportation, waste management, energy consumption and product handling to help make our cities cleaner. Read more on pages 25, 38, 44, 103-106 and 108.
	12.2 Achieve sustainable management and efficient use of natural resources. 12.4 Environmentally sound management of chemicals and all wastes. 12.5 Substantially reduce waste generation. 12.8 Ensure people everywhere have the relevant information for sustainable development and lifestyles.	Current levels of production and consumption of products promote a drastic overuse of resources, and our total climate footprint today is significantly greater than the planet's capacity. We have an ambitious sustainability strategy that will help our customers simplify and facilitate sustainable life in all types of homes. It encompasses our entire operations, product life cycle, packaging, services and service offerings. Over the long term, we will achieve a resource-efficient value chain at every stage. Read about our work on sustainability strategy, our work with material and waste management and chemicals, and our model for assessing sustainable products on pages 5, 18-19, 38, 98 and 106.
	13.3 Improve education and human and institutional capacity on climate change mitigation.	It is a fact that humanity is the overwhelming cause of climate change, and we must act now. By creating awareness concerning the climate and finding innovative, circular solutions to how this can be managed, we can make a difference. Read about our new climate targets, as well as products and services that promote a circular economy, on pages 9, 16, 18, 38, 44 and 104-106.
	14.1 Reduce marine pollution of all kinds.	Globally, it is estimated that between 8 and 13 million tonnes of plastic end up in nature every year, a large part of that in the oceans. We are working internally and in partnership with suppliers, partners and customers to reduce this pollution. During the year, we replaced several single-use items with more sustainable, and in certain cases multiple-use, alternatives. Read about our work with sustainable products and our plastics strategy on pages 18 and 106.
	16.2 End abuse, exploitation, trafficking and all forms of violence against children. 16.5 Substantially reduce corruption and bribery in all their forms.	Lasting success cannot be achieved in a context of conflict and violence. We previously partnered with Epcat to ensure that our internal policies and processes maintain a high level of ethics in this area. We continue to work actively on spreading knowledge internally about these policies and missives. We installed NetClean, a tool to stop material depicting sexual abuse of children, on our computers. A responsible and inclusive way of working, free from corruption and with a high degree of business ethics, is expected from every individual employee at, and partner of, Clas Ohlson. Read more about zero tolerance towards corruption and bribery, and the partnership with World Childhood Foundation, on pages 19, 101-102 and 107.
	17.16 Enhance the global partnership for sustainable development.	Today, the world is more connected than ever before, and through partnerships with other players we can truly make a difference. Read more about our partnerships with the Save the Children, Quizrr, World Childhood Foundation and Sedex on pages 5, 19 and 101-102.

GRI Standards Index

For the eleventh 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 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 2020/21 financial year. Carbon emissions in this report refer to the 2020 calendar year. Comparative figures due to the closure of the store network outside the Nordics started in 2018 have not been restated.

2016 Standard Disclosures

GRI	Disclosure	Reference
102-1	Name of the organisation	Directors' Report, p. 35
102-2	Activities, brands, products and services	About Clas Ohlson, p. 3, Customer offering p. 20-25, Directors' Report, p. 35
102-3	Location of headquarters	Directors' Report, p. 35
102-4	Location of operations	Directors' Report, p. 35
102-5	Ownership and legal form	Directors' Report, p. 35, The share, s. 115-117
102-6	Markets served	About Clas Ohlson, p. 3, Directors' Report, p. 35
102-7	Scale of the organisation	Directors' Report, p. 35 et seq
102-8	Information on employees and other workers	Targets and target fulfilment, p. 16-19, Smartness and simplicity, p. 30-33
102-9	Supply chain	Our value chain, p. 103
102-10	Significant changes to the organisation and its supply chain	No material changes during the year.
102-11	Precautionary Principle or approach	Risks and uncertainties, p. 41-45
102-12	External initiatives	Governance for a more sustainable lifestyle, p. 98, <i>about.clasohlson.com</i> .
102-13	Membership of associations	<i>about.clasohlson.com</i>

Strategy

102-14	Statement from senior decision-maker	CEO's statement, p. 6
102-15	Key impacts, risks and opportunities	Risks and uncertainties, p. 41-45

Ethics and integrity

102-16	Values, principles, standards and norms of behaviour	Governance for a more sustainable lifestyle, p. 98, Ethical business, p.107
102-17	Mechanisms for advice and concerns about ethics	Governance for a more sustainable lifestyle, p. 98, Ethical business, p. 107

GRI	Disclosure	Reference
Governance		
102-18	Governance structure	Corporate governance, p. 47-51, Governance for a more sustainable lifestyle, p. 98
102-20	Executive-level responsibility for economic, environmental and social topics	Governance for a more sustainable lifestyle, p. 98
102-27	Collective knowledge of highest governance body	Board, p. 52-53; Group management, p. 54-55
102-29	Identifying and managing economic, environmental and social impacts	Risks and uncertainties, p. 41-45
102-30	Effectiveness of risk management processes	Risks and uncertainties, p. 41-45
102-31	Review of economic, environmental and social topics	Materiality analysis, p. 99, Our value chain, p. 103

Stakeholder engagement

102-40	List of stakeholder groups	Dialogue for direction and development, p. 100
102-41	Collective bargaining agreements	On average, 97.5 per cent of Clas Ohlson's employees are covered by collective agreements
102-42	Identifying and selecting stakeholders	Dialogue for direction and development, p. 100
102-43	Approach to stakeholder engagement	Dialogue for direction and development, p. 100
102-44	Key topics and concerns raised	Materiality analysis, p. 99, Dialogue for direction and development, p. 100

Reporting practice

102-45	Entities included in the consolidated financial statements	Directors' Report, p. 50, Note 24, p. 81
102-46	Defining report content and topic Boundaries	Materiality analysis, p. 99
102-47	List of material topics	Materiality analysis, p. 99, Our value chain, p. 103
102-48	Restatements of information	No material changes
102-49	Changes in reporting	GRI index, introduction, p. 110
102-50	Reporting period	GRI index, introduction, p. 110
102-51	Date of most recent report	The 2019/20 Annual and Sustainability Report was published on 9 July 2020
102-52	Reporting cycle	GRI index, introduction, p. 110
102-53	Contact point for questions regarding the report	Tina Englyst, HR and Sustainability Director, General Counsel; p. 55
102-54	Claims of reporting in accordance with the GRI Standards	GRI index, introduction, p. 110
102-55	GRI content index	GRI index, p. 110-112
102-56	External assurance	The GRI report is not externally assured. Auditor's report on the statutory sustainability report, p. 97

GRI	Disclosure	Reference
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Material topics

Financial standards

Economic impact

103-1-3	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Corporate governance, p. 51, Auditor's report, p. 86-88
201-1	Direct economic value generated and distributed	The year in brief, Economic value by stakeholder group, p. 5
203-2	Significant indirect economic impacts	The year in brief, Economic value by stakeholder group, p. 5
205-2	Communication and training about anti-corruption policies and procedures	Governance for a more sustainable lifestyle, p. 98, Ethical business, p. 107

Environmental standards

Materials

103-1-3	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Targets and target fulfilment, p. 16-19, A unique customer offering, p. 20-25
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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.

Energy

103-1-3	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Targets and target fulfilment, p. 16-19, about.clasohlson.com
302-1	Energy consumption within the organisation	Targets and target fulfilment, p. 16-19, Outstanding customer service, p. 26
302-2	Energy consumption outside of the organisation	Smartness and simplicity, p. 30-33

Emissions

103-1-3	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Targets and target fulfilment, p. 16-19, Smartness and simplicity, p. 30-33, Climate neutral 2045, p. 104-105
305-1	Direct (Scope 1) GHG emissions	Climate neutral 2045, p. 104-105
305-2	Energy indirect (Scope 2) GHG emissions	Climate neutral 2045, p. 104-105

GRI	Disclosure	Reference
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Effluents and waste

103-1-3	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Targets and target fulfilment, p. 16-19, Our value chain, p. 103
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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.

Supplier environmental assessment

103-1-3	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	A unique customer offering, p. 20-25, Controlling the supply chain, p. 108
308-1	New suppliers that were screened using environmental criteria	A unique customer offering, p. 20-25, Controlling the supply chain, p. 108
308-2	Negative environmental impacts in the supply chain and actions taken	A unique customer offering, p. 20-25, Controlling the supply chain, p. 108

Social standards

Occupational health and safety

103-1-3	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Targets and target fulfilment (employee attendance), p. 16-19*, Smartness and simplicity, p. 30-33, about.clasohlson.com
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*Clas Ohlson has defined its own indicator for this topic.

Diversity and equal opportunity

103-1-3	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Targets and target fulfilment, p. 16-19, Smartness and simplicity, p. 30-33, about.clasohlson.com
405-1	Diversity of governance bodies and employees	Targets and target fulfilment, p. 16-19, Corporate governance, p. 48

Non-discrimination

103-1-3	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Smartness and simplicity, p. 30-33, Governance for a more sustainable lifestyle, p. 98, about.clasohlson.com
406-1	Incidents of discrimination and corrective actions taken	No cases during the financial year.

GRI	Disclosure	Reference
Freedom of association and collective bargaining		
103-1-3	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Targets and target fulfilment, p. 16-19. A unique customer offering, p. 20-25, about.clasohlson.com , Controlling the supply chain, p. 108
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Controlling the supply chain, p. 108*
408-1	Operations and suppliers at significant risk for incidents of child labour	Controlling the supply chain, p. 108*
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Controlling the supply chain, p. 108*
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Controlling the supply chain, p. 108**
414-1	New suppliers that were screened using social criteria	A unique customer offering, p. 20-25, Controlling the supply chain, p.108
414-2	Negative social impacts in the supply chain and actions taken	Controlling the supply chain, p. 108

* This indicator tracks non-compliances based on supplier audits, where there is a higher risk for deviations in regards to freedom of association.

** All new suppliers are evaluated on their performance against our Code of Conduct criteria.

Customer health and safety

103-1-3	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Targets and target fulfilment, p. 16-19, about.clasohlson.com A unique customer offering, s. 20-25
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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.

Customer privacy

103-1-3	Explanation of the material topic and its boundary; The management approach and its components; Evaluation of the management approach	Risks and uncertainties, p. 41-45
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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*

SWEDEN

Store	Opening date	Store	Opening date
A Alingsås, Vimpeln	27-Mar-14	Stockholm, Barkarby Gate	27-Nov-14
B Borlänge, Norra Backa	26-Sep-13	Stockholm, Bromma Blocks	23-Sep-10
Borås, Knalleland	24-Oct-02	Stockholm, Drottninggatan	21-Oct-10
E Eskilstuna, Cityhuset	30-May-02	Stockholm, Farsta Centrum	18-Nov-99
F Falun, Falan Gallerian	05-Feb-09	Stockholm, Fältöversten Köpcentrum	11-Sep-19
G Gothenburg, Backaplan	19-Apr-18	Stockholm, Gallerian	30-Jun-89
Gothenburg, Bäckebo Köpcenter	10-Apr-03	Stockholm, Hanninge Centrum	10-Dec-04
Gothenburg, Frölunda Torg	23-Oct-09	Stockholm, Hornstull	27-Oct-16
Gothenburg, Mölndal Galleria	27-Sep-18	Stockholm, Kista Galleria	05-Dec-02
Gothenburg, Nordstan	01-Jun-92	Stockholm, Kungens Kurva	24-Apr-14
Gothenburg, Partille Allum	09-Apr-06	Stockholm, Liljeholmstorget Galleria	15-Oct-10
Gothenburg, Sisjö Shopping	19-Apr-12	Stockholm, Mall of Scandinavia	12-Nov-15
Gävle, Gallerian Nian	27-Nov-03	Stockholm, Märsta Centrum	26-Apr-18
H Halmstad, City	08-Mar-01	Stockholm, Nacka Forum	29-Mar-07
Halmstad, Flygstaden	16-Jun-11	Stockholm, Ringen Centrum	18-Oct-18
Helsingborg, Väla Centrum	12-Jun-03	Stockholm, Sickla Köp kvarter	06-Dec-07
Hudiksvall, Fyren Gallerian	23-Apr-09	Stockholm, Skärholmen Centrum	07-Dec-00
I Insjön, Hjultorget	27-Jun-18	Stockholm, Sollentuna Centrum	31-May-07
J Jönköping, Asecs (A6) Center	22-May-03	Stockholm, Solna Centrum	07-Apr-05
Jönköping, City	09-Dec-10	Stockholm, Sveavägen 52	25-Oct-18
K Kalmar, Baronen Köpcenter	24-Nov-05	Stockholm, Tyresö Centrum	03-May-18
Kalmar, Hansa City Modehuset	14-Mar-13	Stockholm, Täby Centrum	25-Oct-01
Karlskrona, Lyckeby Shopping Center	27-Nov-14	Stockholm, Vällingby Centrum	15-Nov-07
Karlstad, Bergvik Köpcenter	20-Aug-15	Stockholm, Värmdö Köpcentrum	17-Jun-15
Karlstad, Mitt i City Gallerian	21-Sep-06	Stockholm, Väsby Centrum	27-Apr-07
Kiruna, Österleden	11-Nov-10	Strömstad, Nordby Shoppingcenter	29-May-09
Kristianstad, C4	22-Nov-18	Sundsvall, Birsta	30-Apr-08
Kristianstad, Galleria Boulevard	18-Apr-07	Södertälje, Lunagallerian	29-Apr-10
Kungsbacka, Kungsmässan	13-Mar-08	T Trelleborg, Valengallerian	25-Apr-07
Kungälv, Kongahälla Center	28-Mar-19	Trollhättan, Överby Köpcenter, Södra	28-Jun-12
L Lidköping, Änghagens Handelsplats	25-Apr-12	U Uddevalla, City Gallerian	19-Oct-06
Linköping, Åhlenshuset	10-Jun-04	Uddevalla, Torp Köpcentrum	05-Nov-20
Ljungby, Ljungbyporten	14-Jun-18	Umeå, Avion Shopping	17-Mar-16
Luleå, Smedjan Gallerian	21-Mar-02	Umeå, MVG Gallerian	13-Apr-00
Luleå, Storheden	16-Feb-12	Uppsala, Gränbystaden	25-Aug-11
Lund, Nova Lund	07-Nov-13	Uppsala, S:t Per Gallerian	16-Nov-00
Löddeköpinge, Galleria Center Syd	26-Nov-15	V Valbo, Valbo Köpcentrum	23-Feb-12
M Malmö, Emporia	25-Oct-12	Varberg, Gallerian Varberg	28-Sep-17
Malmö, Gustaf Adolfs Torg	08-Apr-21	Visby, Österväg	17-Apr-08
Malmö, Mobilia	26-Sep-13	Västervik, Ljungheden	06-Dec-12
Malmö, Triangeln	03-Dec-93	Västerås, Erikslund Shopping Center	22-Sep-11
N Norrköping, Galleria Domino	02-May-96	Västerås, Kvarteret Igor	22-Nov-01
Norrköping, Ingelsta Shopping	25-Feb-21	Växjö, Grand Samarkand	06-May-04
Norrköping, Mirum Gallerian	10-Dec-09	Ä Ängelholm, Brännborn Center	23-Mar-17
Norrköping, Flygfyrn	14-Jun-12	Ö Örebro, Krämaren	27-Nov-97
Nyköping, Västerport	17-Sep-20	Örebro, Marieberg Galleria	26-Mar-09
P Piteå, Gallerian Piteå	20-Sep-07	Örnsköldsvik, Galleria Magasinet	12-Apr-07
S Skellefteå, Citykompaniet	17-Mar-05	Östersund, Mittpunkten	28-Apr-05
Skövde, Elins Esplanad	27-Nov-08		

NORWAY

Store	Opening date	Store	Opening date
A Alta, Amfi	17-Nov-11	Oslo, Bogstadveien	27-Oct-11
Arendal, Alti	28-Nov-07	Oslo, Bryn Senter	26-Aug-10
Asker, Trekanten	16-Oct-08	Oslo, CC Vest	11-Sep-14
Askim, Askim Torget	11-Oct-17	Oslo, City	11-Nov-05
B Bergen, Galleriet	30-Nov-17	Oslo, Lambertseter Senter	12-Oct-10
Bergen, Lagunen	06-Mar-03	Oslo, Storo Storsenter	19-Jun-08
Bergen, Sartor Storsenter	16-Feb-06	Oslo, Stovner Senter	06-Oct-16
Bergen, Storsenter	22-Apr-99	Oslo, Torggata	26-Aug-91
Bergen, Vestkanten Storsenter	22-Nov-12	P Porsgrunn, Down Town	27-Apr-06
Bergen, Åsane Horisont	30-Sep-04	R Rykkinn, Senter	15-Mar-18
Bodø, City Nord	07-Jun-11	S Sandefjord, Hegnassetta	10-Sep-15
Bodø, Koch Kjøpesenter	01-Feb-18	Sandnes, Kvadrat	23-Sep-98
Bryne, M44	05-Nov-09	Sandnes, Maxi	26-May-16
D Drammen, Buskerud	08-Sep-11	Sandvika, Storsenter	10-Jan-02
Drammen, Gulsbogen	18-Sep-08	Sarpsborg, Amfi Borg	05-Nov-20
E Elverum, Kremmertorget	22-Mar-12	Ski, Storsenter	16-Oct-03
F Farsund, Amfi	01-Jun-17	Skien, Herkules	18-Oct-07
Finnsnes, Amfi	09-Jun-16	Slependen, Senter	18-Sep-14
Fredrikstad, Torvbyen	01-Dec-05	Sogndal, Amfi Sogningen	06-Jun-13
Fredrikstad, Østfoldhallen	25-Mar-21	Sortland, Handesparken	24-May-18
Førde, Alti	22-Nov-12	Stathelle, Alti Brotorvet	23-Nov-17
G Gjøvik, CC Kjøpesenter	10-Mar-06	Stavanger, Kilden	25-Oct-07
H Halden, Walkers Gate 12	12-Mar-15	Stavanger, Madla	08-Nov-07
Hamar, CC Stadion	11-Nov-14	Stavanger, Mediegården	11-Nov-10
Harstad, Kanebogen	06-Apr-17	Steinkjer, Amfi	15-Oct-09
Haugesund, Oasen	03-Oct-02	Stjørdal, Torgkvartalet	02-Nov-17
Horten, Sjosiden	09-Jun-11	Stord, Heiane Storsenter	20-Jun-13
Husnes, Storsenter	08-Mar-18	Strømmen, Storsenter	21-Oct-99
Hønefoss, Kuben	19-Feb-09	Svolvær, Alti	08-Dec-16
J Jessheim, Storsenter	05-Nov-08	T Tromsø, Jekta	12-Jun-08
K Kongsberg, Stortorget	03-Jun-10	Trondheim, City Lade	12-Oct-17
Kongsvinger, Kongssenteret	24-May-12	Trondheim, City Syd	08-May-03
Kristiansand, Sandens	06-Nov-08	Trondheim, Sirkus Shopping	13-Aug-20
Kristiansand, Sørlandssenteret	19-Nov-98	Trondheim, Solsiden	19-Oct-00
Kristiansund, Alti Futura	24-Mar-11	Trondheim, Torg	17-Feb-11
L Larvik, Nordbyen	23-Apr-09	Tønsberg, Farmandstredet	21-Sep-01
Leira, Amfi	26-Oct-17	V Vestby, Storsenter	14-Mar-13
Levanger, Magneten Kjøpesenter	05-Jun-14	Vinstra, Vinstragata 93	16-Feb-17
Lillehammer, Strandtorget	18-Nov-10	Vinterbro, Senter	26-Mar-15
Lillestrøm, Torv	23-Mar-17	Voss, Handelshus	16-Jun-16
Lørenskog, Triaden	30-Oct-17	Å Ålesund, Amfi Moa	22-Jan-04
M Mandal, Alti	20-Nov-14	Ö Örsta, Alti	04-Oct-12
Mo I Rana, Søndre Gate 2	07-Jun-12		
Molde, Storsenter	22-Oct-09		
Moss, Amfi	12-Oct-06		
N Narvik, Storsenter	04-Dec-08		
O Orkanger, Amfi	30-Oct-14		
Oslo, Alna Senter	27-Sep-06		

FINLAND

Store	Opening date
E Espoo, Ainoa	16-Mar-17
Espoo, Iso Omena	14-Oct-15
Espoo, Pikkuilaiva	08-Nov-12
Espoo, Sello	14-Sep-05
H Helsinki, Itis	06-Nov-03
Helsinki, Kaari	17-Oct-13
Helsinki, Kaivotalo	03-Nov-16
Helsinki, Kampen	02-Mar-06
Helsinki, Mall Of Tripla	17-Oct-19
Helsinki, Redi	20-Sep-18
Hyvinkää, Willa	18-Oct-12
Hämeenlinna, Goodman	30-Oct-14
J Joensuu, Iso Myy	06-Nov-08
Jyväskylä, Seppä Shopping Centr	30-Apr-20
Jyväskylä, Sokkari	10-Nov-16
K Kempele, Zeppelin	03-Aug-17
Kokkola, Kallentori	27-Sep-07
Kotka, Pasaati	23-May-13
Kouvola, Veturi	13-Sep-12
Kuopio, Haapaniemenkatu	24-Feb-05
Kuopio, Matkus Shopping Center	01-Nov-12
L Lahti, Karisma	03-Nov-11
Lahti, Syke	31-May-12
Lappeenranta, IsoKristiina	01-Nov-07
Lempäälä, Ideapark	29-Nov-07
M Mariehamn, Mxinge Center	16-May-13
Mikkeli, Akseli	16-Jun-11
O Oulo, Valkea	25-Nov-10
P Pori, Puuvilla	30-Oct-14
Porvoo, Lundi	21-Apr-20
R Raisio, Mylly	04-Nov-15
Rovaniemi, Rinteenkulma	23-Oct-08
S Seinäjoki, Ideapark	14-Nov-19
T Tampere, Hämeenkatu	18-Mar-04
V Tampere, Ratina	19-Apr-18
Turku, Hansa	03-Mar-05
Turku, Skanssi	25-Oct-12
V Vaasa, Rewell Center*	14-Oct-04
Vantaa, Jumbo	27-Oct-05
Vantaa, Myymanni	29-Nov-11

OUTSIDE THE NORDICS

Store	Opening date
UK	
R Reading, Broad Street	19-Nov-09

* Store portfolio on 30 April 2021

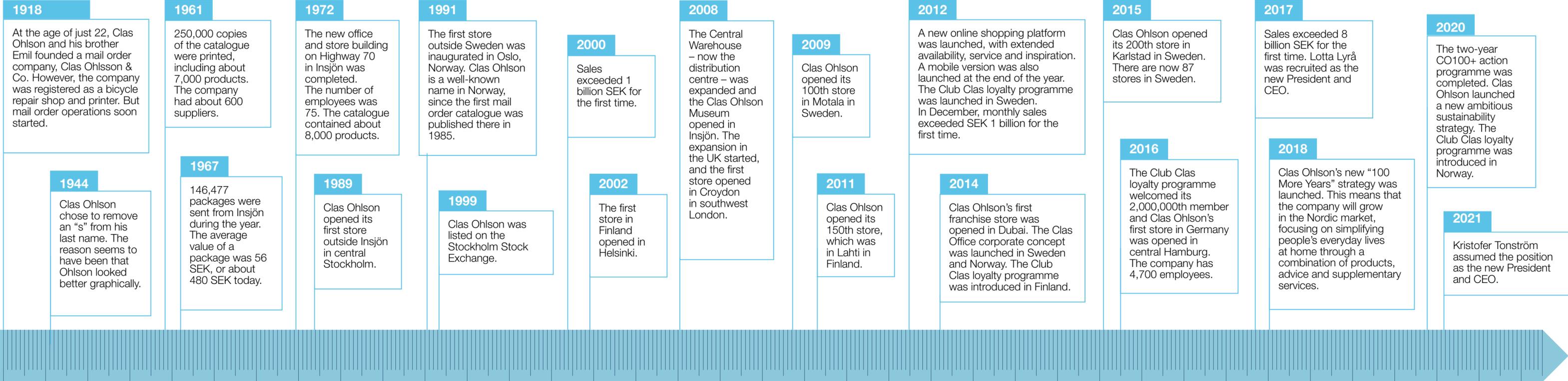
Visit <https://about.clasohlson.com/en/about-us/stores-markets-sales-channels/our-stores/> to receive continuously updated information about the store portfolio.

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

Outside the Nordics: www.amazon.com/uk

History



1985

Sales of 100 MSEK

The company's sales exceeded 100 MSEK for the first time. During the year, a subsidiary was opened in Norway when mail order sales were established in the country.



1995

New central warehouse

A new central warehouse in Insjön opened. At its opening, the warehouse encompassed 11,000 square metres with a ceiling height of 9 metres.



2013

Club Clas arrives

The Club Clas loyalty programme was launched in March. In its first year, the loyalty programme attracted 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 first 100 years as a company were celebrated.

The Clas Ohlson share

Clas Ohlson's series B share has been listed on Nasdaq Stockholm since 1999. The share is included in the Consumer Services sector index. The share reported a 6.0 per cent increase during the financial year. Clas Ohlson's total market capitalisation amounted to 5.7 billion SEK (5.4) calculated on the most recent share price of SEK 90.65 on 30 April 2021.

Share trend

The Clas Ohlson share increased by 6.0 per cent to 90.65 SEK (85.55) compared with the year-earlier period, while the SIX General Index increased by 50 per cent. The total return for the share, including re-invested dividends, amounted to 6.0 per cent.

The highest price paid was SEK 110.40, recorded in September 2020, while the lowest price paid was SEK 74.05, quoted in February 2021.

Share turnover

During the 2020/21 financial year, 61,674,188 Clas Ohlson shares were traded, representing a turnover rate of 94 per cent.

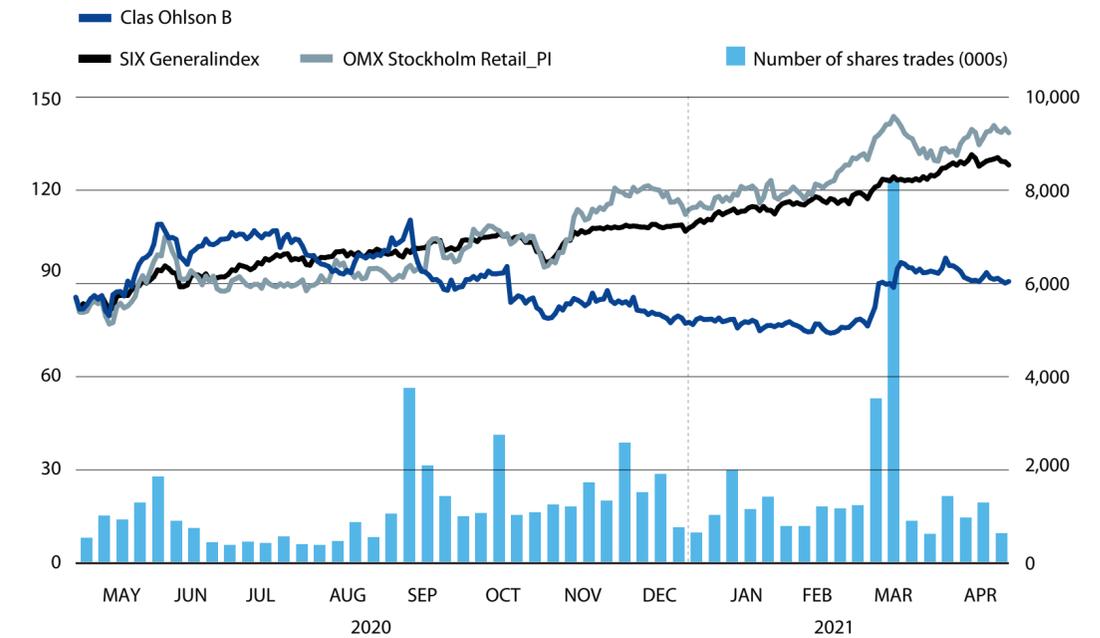
Share capital

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.

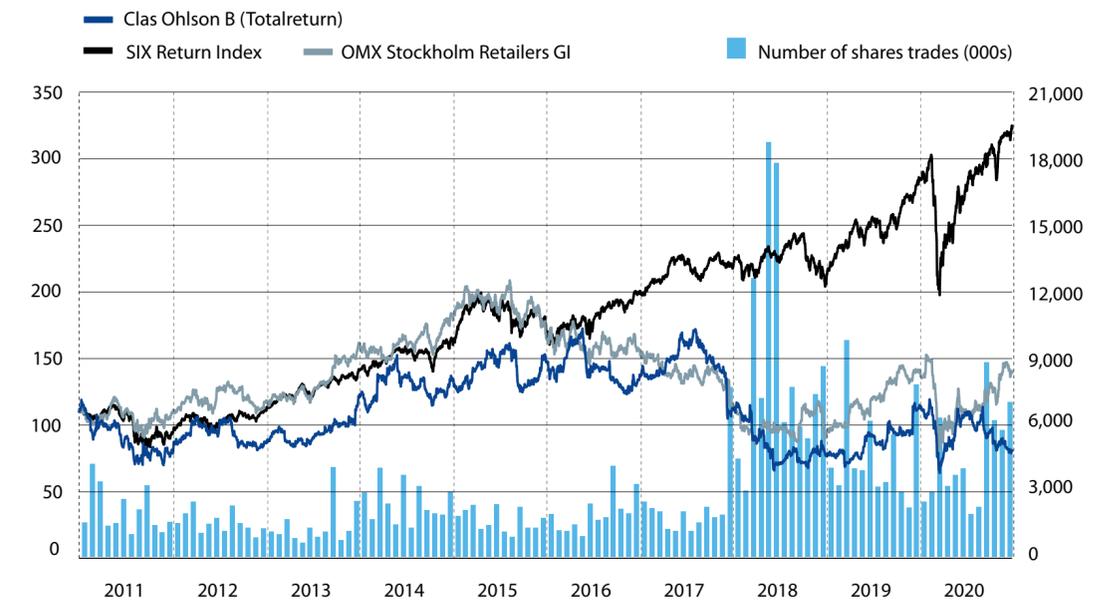
Treasury shares

The number of registered shares amounted to 65,600,000, of which 2,254,583 (2,262,553) 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 63,345,417 (63,337,447).

The Clas Ohlson share price and turnover trend 2020/21



Source: WebFinanGroup



Source: WebFinanGroup

The entire LTI 2020 undertaking has been secured by using shares that were bought back to secure previous LTI plans where the need has been recalculated (no buy-back in the preceding year).

Shareholding structure

On 30 April 2021, the company had a total of 38,341 shareholders (38,504). Non-Swedish owners accounted for 38 per cent (39) of the capital and 33 per cent (33) of the votes.

The Swedish ownership is dominated by private individuals, owning 51 per cent (49) of the capital, while institutions own 11 per cent (12).

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 6.25 per share be paid for the 2020/21 financial year, distributed between two payment dates. It is proposed that payment be made in September 2021 and January 2022. The proposed dividend amounts to 410 MSEK, which represents 97 per cent of profit after tax for the financial year.

No dividend was paid for the 2019/20 financial year to safeguard Clas Ohlson's solid financial position and flexibility as a result of the pandemic and macroeconomic uncertainty.

Data per share¹

	2020/21	2019/20	2018/19 ⁴	2017/18	2016/17
Average number of shares before dilution, million	63.3	63.3	63.2	63.2	63.1
Earnings per share before dilution, SEK	6.65	5.94	1.13	5.66	7.59
Comprehensive income per share, SEK	6.82	5.66	1.26	6.37	8.30
Cash flow per share excl. IFRS 16, SEK ²	11.83	12.91	4.93	5.90	11.08
Equity per share, SEK	34.65	27.84	30.8	35.82	35.68
Share price at 30 April, SEK	91	86	79	96	147
Dividend per share, SEK	6.25 ³	-	6.25	6.25	6.25
P/E ratio, multiple	14	14	70	17	19
Dividend yield, %	6.9	-	7.9	6.5	4.3
Payout ratio, %	94	-	553	110	82
Total return, %	6	16	-11	-30	-6

¹ See key ratio definitions on pages 89-90.

² From operating activities.

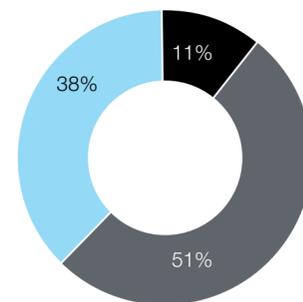
³ Proposed dividend.

⁴ Including non-recurring cost of 210 MSEK for the closure of the store network outside the Nordics.

Share data

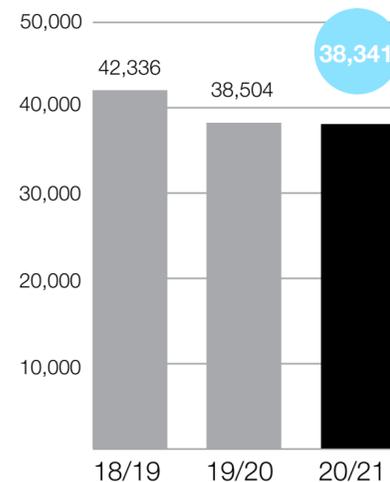
Listing: Nasdaq Mid Cap
 Ticker: Clas B
 Industry: Consumer Service
 ISIN code: SE0000584948

Shareholder categories, %

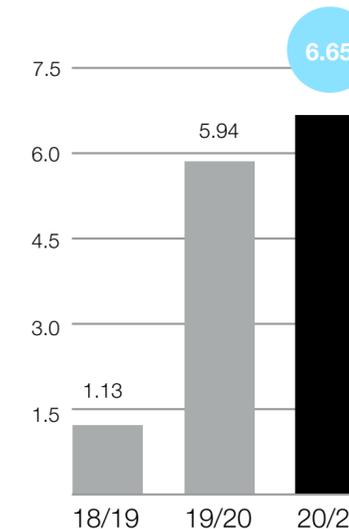


■ Swedish institutions
 ■ Swedish private shareholders
 ■ Non-Swedish shareholders

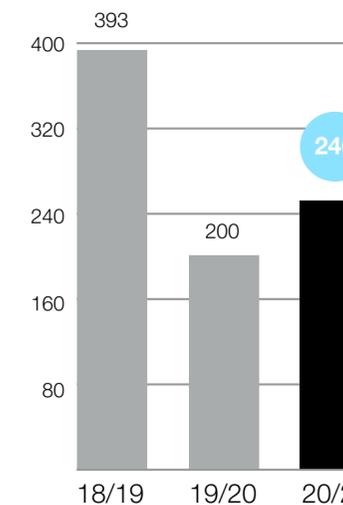
No. of shareholders



Earnings per share, SEK



Average daily trading, thousands





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	22.9%	36.0%
Tidstrand family ²	2,736,120	7,079,828	15.0%	29.3%
Nordea Fonder	0	4,740,983	7.2%	4.0%
If Skadeförsäkring AB	0	2,973,238	4.5%	2.5%
Vanguard	0	1,145,773	1.7%	1.0%
Svenska Handelsbanken AB for PB	0	907,500	1.4%	0.8%
SEB Fonder & Liv	0	606,477	0.9%	0.5%
Norges Bank	0	592,853	0.9%	0.5%
Dimensional Fund Advisors	0	487,611	0.7%	0.4%
BlackRock	0	462,254	0.7%	0.4%
SHB Fonder & Liv	0	421,510	0.6%	0.4%
JP Morgan Asset Management	0	411,678	0.6%	0.4%
Acadian Asset Management	0	347,401	0.5%	0.3%
Avanza Pension	0	344,816	0.5%	0.3%
Goldman Sachs Asset Management	0	306,885	0.5%	0.3%
Total 15 largest	5,760,000	32,857,910	58.6%	77.1%
Other	0	26,982,090	41.4%	22.9%
Total	5,760,000	59,840,000	100.0%	100.0%
Shares owned by Clas Ohlson	0	2,254,583	3.4%	1.9%

Shareholder categories¹

Shareholders	Number of series A shares ²	Number of series B shares	Percentage of capital	Percentage of votes
Swedish private shareholders	3,744,080	27,965,652	51.4%	61.2%
Swedish institutions	0	7,261,516	11.1%	6.1%
Non-Swedish shareholders	2,015,920	24,612,832	37.5%	32.7%
Total	5,760,000	59,840,000	100.0	100.0

Shareholding structure¹

Size interval	Number of shares	Percentage	Number of known shareholders
1-500	3,665,040	5.6%	31,730
501-1000	3,137,167	4.8%	3,870
1,001-5,000	5,027,396	7.7%	2,310
5,001-10,000	1,723,680	2.6%	230
10,001-20,000	1,369,266	2.1%	99
20,001-	46,858,763	71.4%	102
Anonymous shareholding	3,818,688	5.8%	
Total	65,600,000	100.0	38,341

¹ On 30 April 2021² All series A shares were held by descendants of Clas Ohlson

Information to shareholders

Annual General Meeting

Due to the prevailing situation and uncertainty surrounding COVID-19, the Board intends to convene an Annual General Meeting (AGM) to be held exclusively by postal voting in accordance with the Swedish Act on Temporary Exemptions to Facilitate the Execution of General Meetings in Companies and Associations (2020:198). This means that shareholders will be unable to physically attend the Meeting venue and that shareholders can only exercise voting rights by post in advance of the Meeting. Further information will be provided in the notice of the AGM. As previously announced, the AGM will be held on 10 September 2021.

For more information, refer to about.clasohlson.com/sv/bolagsstyrning/arsstamma/

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 SEK 6.25 per share be paid for the 2020/21 financial year, distributed between two payment dates. It is proposed that payment be made in September and January. The proposed dividend totals 410 MSEK, which represents 97 per cent of profit after tax for the financial year. No dividend was paid for the 2019/20 financial year in order to safeguard Clas Ohlson's solid financial position and flexibility as a result of the pandemic and macro-economic uncertainty.

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

Clas Ohlson provides financial information for the 2021/22 financial year as follows:

- Interim report May-July, 8 September 2021
- Interim report August-October, 8 December 2021
- Interim report November-January, 9 March 2022
- Interim report February-April, 8 June 2022





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