Annual Report 2024

BHG Group AB (publ)
Nasdaq Stockholm: BHG

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About BHG

BHG is one of the largest consumer e-commerce companies in the Nordics. In addition to our Nordic operations, we also have a significant presence in the rest of Europe, as well as in selected markets outside of Europe.

Our strong position in these markets makes us one of the largest online European pure-plays in our three segments: Home Improvement, Value Home, and Premium Living. The Group consists of a large number of brands, the primary brands are Bygghemma, Nordic Nest and Trademax. We offer the market’s leading range of well-known external and proprietary brands, totalling approximately 1.5 million products and encompassing a complete offering primarily within DIY, furniture and home furnishing.

We are headquartered in Malmö, Sweden, with operations throughout Europe. Our share is traded on Nasdaq Stockholm, under the ticker “BHG.”

The BHG brands employ approximately 1,700 people, working every day to create the ultimate online shopping experience by an unbeatable product range with smart technology, leading product expertise and a broad range of services.

The year in brief

IMPROVED SALES PERFORMANCE AND STRONGER PROFITABILITY

Overall market conditions remained poor in 2024, although the market improved during the year. We strengthened our sales during the year and achieved growth in the fourth quarter, and our profitability improved year-on-year every quarter.

During the year, we saw a positive trend in several important macro factors, such as the number of transactions in the housing market. There were also interest-rate cuts in Sweden and inflation stabilised at a low level. These factors had a positive impact on demand in our product categories, although with some delay. In the third quarter, we started to see signs of recovery in previously strained capital-intensive product categories such as doors, windows and floors. This positive trend continued into the fourth quarter. Sweden, our largest market, noted the strongest market performance, and we believe that this market has recovered faster than our other markets. Based on available market data, we estimate that the Group's overall sales in 2024 were stronger than the market for the product categories and geographic regions we operate in.

The structural measures we took in 2023 and 2024 significantly reduced our cost base, allowing us to increase our profitability during the year despite negative growth. We consolidated our operations into fewer but scalable platforms and we significantly reduced our inventory, thus cutting back on our warehouse space.

The Group's organic growth for the year was -9.2% and adjusted EBIT was SEK 257.8 million, up SEK 161.1 million compared with the preceding year.

MILESTONES, QUARTER BY QUARTER

- The first quarter of 2024 was characterised by improved profitability in a continued challenging market. Organic growth was -13.9% and adjusted EBIT was SEK -0.6 million, up SEK 68.4 million from the year-earlier period. During the quarter, we strengthened our market-leading position in the Premium Living business area through Nordic Nest's acquisition of the KitchenTime brand and the consolidation of LampGallerian. We also announced that two of our current businesses, Hemfint Kristianstad AB with the site hemfint.se and Arc E-Commerce AB with the site Outl1.se, were being consolidated. At the same time, Trendrum AB with the site trendrum.se was acquired. Together they formed Hemfint Group. The acquisition of Trendrum AB was later approved at BHG's Extraordinary General Meeting on 2 April. In the first quarter, we extended and adapted our existing financing agreement to reflect a stronger balance sheet and a new market situation.
- Profitability continued to improve during the second quarter, in a market that was still weak. Organic growth was -13.5% and adjusted EBIT was SEK 99.1 million, up SEK 0.7 million from the year-earlier period. During the quarter, we announced updated financial targets in conjunction with BHG Group's first Capital Markets Day at Nordic Nest in Kalmar. We also announced the consolidation of our Nordic DIY operations through Bygghemma Nordic in Home Improvement and the sale of the Norwegian bathroom and kitchen fittings specialist Designkupp, as the company did not fit with our strategy. During the quarter, we cut back on our warehouse space considerably following the consolidation and successful inventory reductions and also impaired part of our inventory by SEK 99 million. An Extraordinary General Meeting was held in the quarter, when, among other things, Pernille Fabricius was elected as a new board member of BHG Group .
- The rate of sales improved in the third quarter compared with the first half of the year and we started to see signs of a gradual improvement in the market. At the same time, profitability improved considerably from the year-earlier period. Organic growth was -9.8% and adjusted EBIT was SEK 52.5 million, up SEK 40.0 million from the year-earlier period. During the quarter, it was announced that the inventory consolidation process in Value Home had gone faster than planned. We successfully reduced our warehouse space by 23,390 square metres in the third quarter (17,000 square metres announced previously) and plan to cut a final 3,900 square metres (10,000 square metres announced previously) in the fourth quarter of 2025. Work on Nordic Nest's warehouse automation continued according to plan during the quarter. The automation was expanded in order to further automate previously manual flows. This part of the automation solution was deployed in the fourth quarter in time for the Group's all-important peak season, which had a positive impact on efficiency.
- We saw growth for the first time in ten quarters in the fourth quarter as well as a significant improvement in profitability. Organic growth was 0.5% and adjusted EBIT was SEK 106.7 million, up SEK 52.0 million from the year-earlier period. In the fourth quarter, it was announced that BHG had entered into an agreement with the 30% minority owners and founders of IP-Agency Finland Oy regarding BHG's right to sell, and the founders' corresponding right to buy, all of the shares in IP-Agency. The agreement was subsequently approved at an Extraordinary General Meeting of BHG.


>100

online destinations

Financial overview

(SEKm)	2024	2023	2022	2021	2020
Net sales	9,962.5	11,790.2	13,433.6	12,666.0	8,968.2
Gross profit	2,425.1	2,921.1	2,981.1	3,357.1	2,326.2
Gross margin (%)	24.3	24.8	22.2	26.5	25.9
Adjusted gross profit*	2,543.3	2,944.8	3,368.4	3,357.1	2,326.2
Adjusted gross margin (%)	25.5	25.0	25.1	26.5	25.9
Adjusted EBITDA*	610.5	578.9	813.8	1,104.6	902.7
Adjusted EBITDA-margin (%)	6.1	4.9	6.1	8.7	10.1
Adjusted EBIT*	257.8	96.7	374.9	812.7	700.8
Adjusted EBIT-margin (%)	2.6	0.8	2.8	6.4	7.8
Items affecting comparability*	-602.7	-1,372.5	-449.7	-23.4	-
Operating income	-442.9	-1,374.2	-183.9	710.6	657.8
Operating-margin (%)	-4.4	-11.7	-1.4	5.6	7.3
Net profit/loss for the period	-640.1	-1,542.5	45.7	490.8	420.3
Cash flow from operations	657.1	1,550.2	-105.6	-27.6	994.3
Total order value	10,278.5	11,930.0	13,564.1	12,800.8	9,092.2
Orders (thousands)	4,158	4,716	5,033	5,243	3,012
Average order value (SEK)	2,472	2,529	2,695	2,441	3,018

* See ”Relevant reconciliations of non-IFRS alternative performance measures (AMPs)” for detailed description.

CEO's comments

In 2024, our focus was on improving our sales performance and strengthening our profitability. Looking back on the year, I can say with great satisfaction that we achieved our goals. The sales trend gradually improved during the year, with growth during the fourth quarter. Profitability improved year-on-year every quarter. We are proud to have delivered according to our plan and we are well equipped for 2025!

Macro factors improved gradually during the year, especially in our largest market: Sweden. We believe that factors such as increased activity in the housing market, lowered interest rates and stabilised inflation had a positive impact on demand in our product categories, although with some delay.

The sales trend gradually improved as these market changes started to impact consumption patterns. Having seen the first glimmer of a positive impact on demand in the third quarter, we can now confirm that this recovery gradually continued during the fourth quarter.

In the fourth quarter, we saw growth in our largest market, Sweden, where market conditions had improved most clearly. Finland, which we still consider a challenging market, also displayed growth and Germany continued to perform well despite challenging market conditions. We also noted a positive trend in previously strained product categories such as bathrooms, windows, doors and floors.

Based on the information we have today, we expect the gradual recovery to continue in 2025, although geopolitical uncertainty remains high and could influence the strength and speed of the recovery.

Since launching our Olympia strategy in late 2022, our focus has been on its implementation, with the aim of adapting our operations to a challenging market situation and thereby strengthening our profitability. This work has focused on increasing our scalability and efficiency, mainly by consolidating smaller businesses into larger platforms and divesting units that were not strategically compatible.

To further increase the efficiency and scalability of our business, we have invested in IT infrastructure and automation. We have also coordinated procurement and purchasing to take advantage of our scale.
We have adapted our cost structure and inventory levels to the prevailing market conditions, resulting in stronger cash flow and, subsequently, reduced net debt and a stronger balance sheet.

These measures have left us strategically, structurally, operationally and financially prepared to further improve on our leading position.

While our focus in 2023 and 2024 was mainly on adapting the business to the current market environment and reversing the sales trend, our top priorities in 2025 will be a return to growth, improved profitability and customer satisfaction. Our main tactical priorities for 2025 can be summarised as follows:

- Increase our market share in a gradually stronger market
- Aim to maintain our cost levels in order to leverage our fixed costs, thereby increasing our profitability
- Continued improvement in customer satisfaction

We are now in the last phase of our restructuring journey and are starting to move to the next phase: profitable growth.

Our estimate is that the market will improve gradually in 2025. The structural transition from physical stores to online is continuing, and penetration within the product categories and markets where we operate is still lower than in more mature product markets and geographic regions.

We have a strategy in place to improve our profitability and achieve our financial targets, and we are well positioned for when the market turns.

Malmö, 10 April 2024

Gustaf Öhrn
President and CEO, BHG Group

Business model

BHG builds independent, market-leading online platforms in home-related product categories. We strive to be a leader in our categories and the best owner of e-commerce companies, which makes it possible for each platform to develop by utilising our scale for Group-wide agreements and offering support in important strategic matters, such as financing, M&A, best practice and collaboration on strategic projects.

We offer our customers a broad and relevant range of products and services in our respective categories and geographies. Our operations are divided into three business areas: Home Improvement, Value Home, and Premium Living. The business areas are also operating segments. The operations were divided in order to reflect our customers' purchasing behaviours. The division was also based on the business models of these business areas in order to realise synergies and on their position in the market.

1) Home Improvement, led by Deputy CEO Mikael Hagman, mainly based on a drop shipping model with a low level of tied-up capital, featuring a broad product range and price matching, primarily within DIY products.
2) Value Home, led by Johan Engström, a value-driven model that focuses on offering competitive prices, enabled by private label products, primarily within furniture and leisure products.
3) Premium Living, led by Bank Bergström, has a premium position that is primarily based on stock keeping of external brands in order to internationalise Scandinavian design within furniture and home furnishings.

Mikael, Johan and Bank are all entrepreneurs with long-standing experience leading businesses in operational CEO roles. In addition, they are members of our executive management team, so our senior management has strong operational expertise.

A DECENTRALISED MODEL

BHG operates through a decentralised model. Its overall strategic and tactical plan is defined at the Group level. The CEOs of the respective platforms are in turn responsible for defining and executing the plan in their companies.

The Group strives to promote collaboration while maintaining entrepreneurship. This is accomplished by supporting and enabling growth in each business area and by driving strategic projects with the goal of cross-pollinating and achieving synergies across the business areas.

The role of the business areas is to maximise efficiency and customer experience through continuous improvements, with the goal of achieving operational synergies across the business area's platforms.

STRUCTURE

Our strategic ambition is to consolidate our companies into a smaller number of larger platforms in order to achieve economies of scale and synergies as well as streamlining our structure within our three business areas to reduce complexity. When we began consolidating our operations in autumn 2022, the Group had 25 operating units. Our goal is to consolidate these into seven platforms, divided into three business areas. Six of these platforms are now ready. The remaining consolidation will take place in Home Improvement, focusing on consolidating our Nordic DIY operations through the scalable platform Bygghemma Nordic, with local one-stop-shop destinations within DIY in our Nordic main markets. This is a major project that is expected to lead to significant savings and synergies, and the work will continue over the next 12–15 months as we balance our resources between structural measures and day-to-day operations. We have chosen to consolidate into these seven platforms to achieve critical mass in each platform to enable synergies and to maintain each platform's characteristic and unique customer offering. These seven platforms include generalists with a wide customer base as well as specialists who focus on specific customer groups and segments with various levels of buying power. Our seven platforms thus allow us to reach additional customer groups and a larger market.

SYNERGIES

We achieve synergies at the Group level across business areas as well as between platforms within each business area.

At the Group level, strategic synergies are achieved across the business areas through best practice sharing, strategic projects, M&A and data insights/analysis. Revenue synergies arise when the assortment is shared between business areas and cost synergies arise through Group-wide agreements.

Between the platforms in each business area, revenue synergies are achieved by sharing the assortment and cost synergies arise through joint purchasing, inventory consolidation and shared IT systems.

GROWTH MODEL

We strive to achieve a market-leading position in our product categories and to drive growth through organic initiatives as well as through bolt-on acquisitions to our existing platforms. In 2024, we carried out two bolt-on acquisitions to existing platforms: Nordic Nest acquired KitchenTime and Hemfint Group acquired Trendrum.

We are driving growth by expanding our assortment within our product categories and expanding into new ones, and through geographic expansion into new markets.

By expanding and increasing our sales, and through our increased scale, we can improve our bargaining power and enjoy better terms and conditions.

As a result of expanding the assortment and better purchasing conditions, we can provide customers with the best offering and ensure growth and category leadership, category by category.

Increased sales also provide us with access to more data that can improve our decision-making and insights, allowing us to continuously develop our operations and our customer offering.

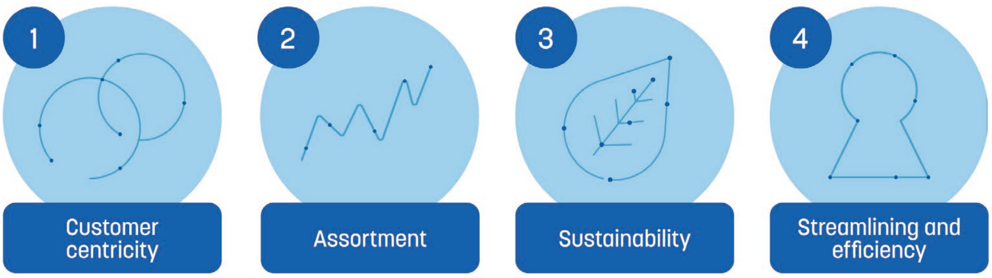
Strategic goals

BHG's overall ambition is to make life easier for our customers, according to our vision: "We make living easy!" We strive to achieve a leading position in the product categories we operate in, and our long-term strategy is based on four Group-wide priorities:

1) Customer centricity
2) Assortment
3) Sustainability
4) Streamlining and efficiency

Our operations are divided into three business areas: Home Improvement, Value Home, and Premium Living. The three business areas were divided up in order to reflect our customers' purchasing behaviours and purchasing power in different customer segments. The division was also based on the business models of these business areas and their position in the market. The four strategic priorities discussed above apply to the three business areas, but are adapted in line with each business unit's customer base and business model.

OUR STRATEGIC PRIORITIES



Customer centricity

We are dedicated to giving our customers a positive experience throughout the entire purchasing journey. To remain relevant, we continually develop our offering and communicate it smartly and efficiently. Our deep product expertise makes it possible to offer a broad, carefully curated assortment of products and services that meet customer needs.

We continuously strengthen our customer offering by complementing product sales with related services, such as home deliveries, expert advice, installation, professional service and support, and a network of physical showrooms throughout the Nordic region.

Through strategic investments in our technology platform, we create an easy, simple customer experience and work continuously to improve our websites. We also focus on operational efficiency and close partnerships with our suppliers to continually optimise delivery precision to our customers.

Assortment

Offering the market's broadest and most relevant product range is a key component of our strategy. By continually expanding our assortment, we provide our customers with a carefully curated offering that reflects the best of our three business areas.

A strong, leading assortment also creates significant economies of scale, especially when it comes to driving organic traffic through search engine optimisation (SEO) and streamlining our search engine marketing (SEM). Our ambition is to consolidate and strengthen our position as a market leader in all relevant categories by expanding the assortment and adding new brands that create added value for our customers

Sustainability

Sustainability is a priority in BHG's overall strategy, with the objective of accelerating organisational excellence and driving a sustainable offering.

Our current sustainability targets were set in 2022 (see the table to the right). The process of ensuring that our sustainability reporting is in line with the Corporate Sustainability Reporting Directive (CSRD) is continuing, and we will report under the Directive in the next reporting period. We assume that our sustainability targets will be revised as a result.

Streamlining and efficiency

Our online-based business model is based on economies of scale, which are expected to increase further as BHG grows. We focus on consolidation and efficiencies in the shared cost base and infrastructure that supports our online destinations within our respective business areas. We can then achieve further economies of scale in the form of digital platforms and IT, marketing, purchasing and other areas. This structure enables us to match our competitors' lowest prices, while at the same time retaining high margins, and creates platforms in our business units enabling further consolidation.

Our strategic ambition is to consolidate our companies into a smaller number of larger platforms in order to achieve economies of scale and synergies as well as streamlining our structure within our three business areas.

Connection to the UN's Agenda	Focus areas	Target
13 Climate Action; 12 Responsible Consumption and Production	**Minimize Climate Impact**	**Reduce Carbon Emissions by 50% by 2030** 1 a. Scope 1 & 2: Zero greenhouse gas emissions by 2030 1 b. Scope 3: 50% reduction in greenhouse gases by 2030 2. Promote a Sustainable Offering
5 Gender Equality; 8 Decent Work and Economic Growth	**Ensure Sustainable Supply and Distribution Chains**	**Equal Workplace and Sustainable Supply Chain** 3. By 2025, 100% of our strategic suppliers*** will have been evaluated, and action plans will have been developed and implemented 4. Our employees perceive BHG Group as a good and equal workplace
8 Decent Work and Economic Growth; 12 Responsible Consumption and Production	**Financial Development & Economic Growth**	**Corporate Governance and Economic Growth** 5. 100% of BHG's fully integrated business units and destinations manage data security in accordance with the best available standards

* Percentage reduction in relation to sales growth
** Revised target for Scope 1 & 2. Initial goal on zero emissions by 2025 has been revised to 2030.
*** 60% of BHG's total sales

Read more about our efforts in the Sustainability Report on pages 32-51.

The market

We estimate that total market consumption (online and offline) in our categories shrank in 2024, but that the market improved gradually during the year. According to our assessment, the Nordic overall market for the product categories in which we operate, namely DIY, furniture and home furnishings, generates sales of about SEK 280 billion annually and the European overall market is 15-20 times larger.

During the year, we saw a positive trend in several important underlying macro factors, such as activity in the housing market, stabilised low inflation and several interest-rate cuts in Sweden. While our assessment is that these factors are impacting consumption in our categories, there will be a delay before their effects are felt. We noted that the positive development of these macro factors in the first half of the year did not have a positive impact on consumption until the second half of the year. In the third quarter, we started to see signs of recovery in previously strained capital-intensive product categories such doors, windows and floors. In the fourth quarter, this positive trend continued.

Out of the Nordic countries, our assessment is that the strongest recovery has been in the Swedish market, which has also seen the clearest improvements in underlying macro factors. The recovery is taking longer in other Nordic countries and we still consider these markets challenging.

Based on the information currently available, our best assessment is that this gradual recovery of the market will continue during 2025.

The structural transition from physical stores to online continues, and penetration within the product categories and markets where we operate is still lower than in more mature product markets and geographies.

GROWTH IN THE ONLINE MARKET

Based on available market data, we estimate that online sales in the Nordic region of the product categories in which we operate, namely DIY, furniture and home furnishings, currently represent approximately 13–15% of the overall market. This is a significantly lower share than for more mature product categories (such as fashion and electronics) and markets (such as the UK and US).

The growth we have seen in the online market in our categories is attributable to several factors, including:

An almost infinite selection

Online retailers can optimise their assortment based on customer preferences by utilising large amounts of data to identify what is in demand and provide consumers with a focused and relevant offering. Online retailers can also display their entire assortment on webstores with no limitations when it comes to shelf space due to drop shipment, thereby increasing the likelihood that their customers will find the right product.

Competitive prices

Online retailers who have achieved critical mass can offer attractive prices as a result of economies of scale in purchasing and low fixed costs. Retailers with a large network of physical stores are typically characterised by a higher share of fixed costs, such as store rental, in-store inventory and personnel costs, which can lead to channel conflicts and difficulties in maintaining the same price levels in physical stores and online. Additionally, online retailers, which are not limited by physical product catalogues, can apply dynamic pricing based on supply and demand.

Availability and convenience

The ability to order goods at any time, anywhere, from an unsurpassed range of products and services is resulting in increased convenience for online shoppers.

As the online market matures, the demand for related services such as customer service and support is increasing. Players with the critical mass to offer these services have clear competitive advantages compared to smaller online retailers.

THE DIY MARKET

The DIY segment includes product categories such as garden, construction and renovation, and leisure. The consumer market for DIY consists of sales from stores categorised as DIY retailers, which includes both traditional building material retailers and webstores, but does not include sales to companies and professional tradesmen.

The total DIY market in the Nordics and the rest of Europe was challenging in 2024, but we saw a gradual improvement during the year as underlying macro factors, such as the number of transactions in the housing market, improved. The recovery in Sweden has been stronger than in other markets.

Our assessment is that the overall market is expected to grow at the same rate as GDP over a business cycle. The online market is expected to grow faster through greater online penetration.

Trends and drivers

Several factors and drivers determine demand in the DIY market, such as the rate of activity for DIY projects, developments with respect to disposable income, home ownership and sales in the housing market.

Market structure and market competition

The DIY market can be divided into five segments: online players, traditional store chains, DIY chains, niche players/OEMs and B2B distributors. The various segments differ in terms of the level of their presence online, the combination of proprietary and external brands, and business models.

THE FURNITURE AND HOME FURNISHINGS MARKET

The overall market for furniture and home furnishings in the Nordics and the rest of Europe had a similar performance to

DIY in 2024 and is expected to deliver similar growth to DIY going forward. In other words, the market is expected to grow at the same rate as GDP over a business cycle. The online market is expected to grow faster through greater online penetration. The current level of online penetration is higher in furniture and home furnishings than in DIY.

Trends and drivers

Several factors and drivers determine demand in the furniture and home furnishing market, such as the rate of activity for home furnishing projects, developments with respect to disposable income and sales in the housing market. The growing interest in home improvement and home furnishings is also a clear factor driving the growth of the home furnishing markets in general.

Market structure and market competition

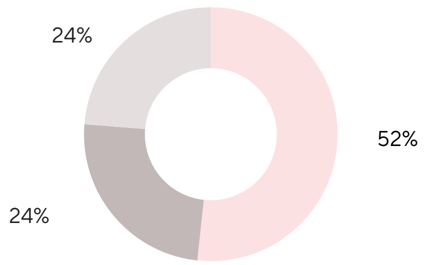
The furniture and home furnishings market can be divided into five segments: online players focused on furniture and home furnishings, traditional store chains, established online players in adjacent categories, IKEA (due to its size) and niche players. The various segments differ in terms of the level of their presence online, the combination of proprietary and external brands, and business models.


Home Improvement

Home Improvement

- The business area's net sales declined by -9.6%, of which organic growth accounted for -8.6%.
- The gross margin was 23.1% (21.0).
- Adjusted EBIT amounted to SEK 163.0 million (54.0), corresponding to an adjusted EBIT margin of 3.1% (0.9).
- The EBIT margin was strengthened primarily by improved product margins, driven in part by more advantageous purchasing prices as a result of coordinated purchasing and lower last-mile costs owing to improved Group-wide agreements as well as higher shipping revenue from customers.

Net sales by business area



	2024					2023				
(SEKm)	**Q1**	**Q2**	**Q3**	**Q4**	**Jan-Dec**	**Q1**	**Q2**	**Q3**	**Q4**	**Jan-Dec**
Net sales	1,003.2	1,550.7	1,264.6	1,356.9	5,175.4	1,197.0	1,765.8	1,420.1	1,343.7	5,726.7
Gross profit	251.2	325.5	291.4	326.6	1,194.7	246.1	376.9	289.2	293.0	1,205.2
Gross margin (%)	25.0	21.0	23.0	24.1	23.1	20.6	21.3	20.4	21.8	21.0
Adjusted gross profit*	251.2	367.9	291.4	326.6	1,237.2	246.1	376.9	294.9	297.3	1,215.2
Adjusted gross margin (%)	25.0	23.7	23.0	24.1	23.9	20.6	21.3	20.8	22.1	21.2
Adjusted EBITDA*	36.7	117.5	76.1	95.1	325.4	0.6	103.2	74.3	56.5	234.5
Adjusted EBITDA-margin (%)	3.7	7.6	6.0	7.0	6.3	0.0	5.8	5.2	4.2	4.1
Adjusted EBIT*	-9.2	80.2	37.7	54.2	163.0	-44.5	58.6	27.3	12.6	54.0
Adjusted EBIT-margin (%)	-0.9	5.2	3.0	4.0	3.1	-3.7	3.3	1.9	0.9	0.9
Items affecting comparability	-	-33.3	-0.7	-414.9	-448.9	-0.4	-1.6	-13.6	-52.5	-68.1
Operating income	-23.5	32.5	22.8	-375.0	-343.2	-59.2	42.7	-0.7	-54.3	-71.5
Operating-margin (%)	-2.3	2.1	1.8	-27.6	-6.6	-4.9	2.4	-0.1	-4.0	-1.2
Net profit/loss for the period	-45.2	6.7	-4.9	-464.9	-508.3	-66.8	5.4	-18.2	-118.7	-198.3
Cash flow from operations	40.7	271.5	-12.1	93.1	393.3	169.2	387.5	42.4	77.8	676.9
Total order value	1,035.5	1,575.1	1,319.3	1,347.5	5,277.4	1,240.4	1,772.6	1,409.9	1,332.2	5,755.1
Orders (thousands)	355	523	470	509	1,857	431	611	536	539	2,117
Average order value (SEK)	2,914	3,011	2,806	2,650	2,842	2,877	2,901	2,631	2,473	2,719

COMMENTS ON HOME IMPROVEMENT

Home Improvement accounted for 52% of the Group's total net sales. Net sales declined -9.6%, to SEK 5,175.4 million (5,726.7) and organic growth amounted to -8.6%.

Home Improvement operates almost exclusively in the Nordic market, and is largely based on a drop shipping model with a low level of tied-up capital, featuring a broad product range and price matching. Sweden is its largest market, making up approximately two thirds of the business area's sales in the fourth quarter.

The leading brand in Home Improvement is Bygghemma.

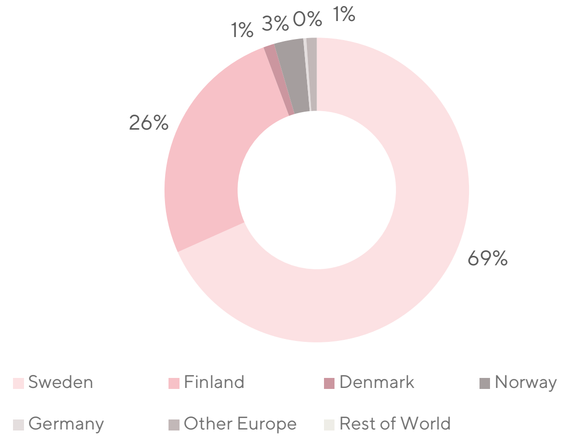
During the year, the focus was on:

- Creating a Nordic DIY powerhouse with local sales organisations for the respective markets and joint support functions in order to achieve economies of scale and improve profitability and customer value. The work is expected to last another 12-15 months.
- Streamlining purchasing processes, in part through joint purchasing, increasing the share of sales from proprietary brands, which generally have higher margins, and broadening the range of additional services.
- Fully leveraging the product range through all relevant sales channels, in part through intercompany sales, and continuing to drive geographic expansion for the operations with strong positions in their home markets.

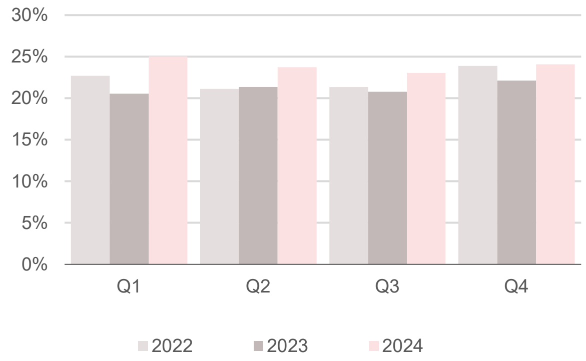
HOME IMPROVEMENT, QUARTER BY QUARTER

- Continued sluggish demand and calendar effects resulting from an early Easter had a negative impact on demand in the first quarter. Implemented cost savings and an improved margin offset the negative sales trend. The efforts to strengthen the platforms continued during the quarter, with the aim of improving the business area's competitiveness in the long term.
- In a market where demand remained subdued, a number of additional measures were implemented to reduce the cost base, reduce inventories and focus the business area's operations on its core areas – partly through the sale of Designkupp in Norway. The product margin strengthened compared with the same period last year, mainly driven by the consolidation of purchasing in the Group.
- In a slightly more receptive market, we saw positive trends in key categories such as bathrooms, doors and windows in the third quarter, which signalled that a recovery had begun. The consolidation of smaller units into larger robust platforms continued during the third quarter in an effort to focus on capitalising on a recovering market.
- A well-executed Black Friday campaign period had the desired effect in terms of growth for the Home Improvement business area in the fourth quarter. The work that had been carried out with respect to cost savings, consolidation and efficiency yielded resulted in the form of improved underlying profitability.

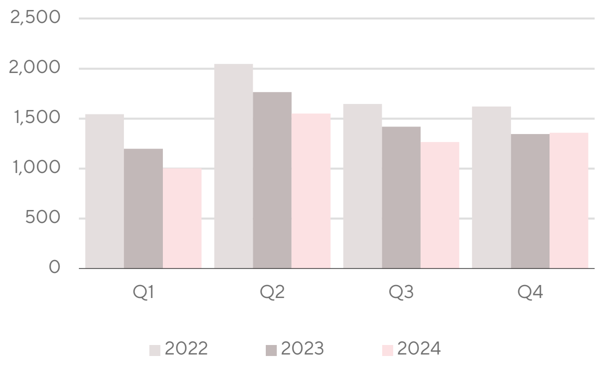
Distribution of net sales by country (%)



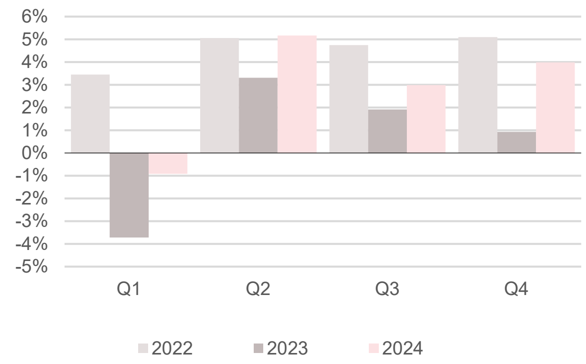
Adjusted gross margin (%)



Net sales (SEKm)



Adjusted EBIT margin (%)

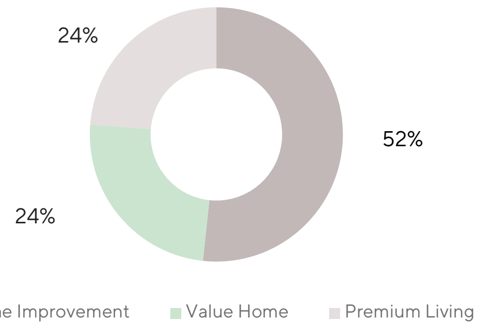



Value Home

Value Home

- The business area's net sales declined -37.6%, of which organic growth amounted to -17.0%.
- The gross margin was 28.6% (30.4).
- Adjusted EBIT amounted to SEK 78.3 million (49.5), corresponding to an adjusted EBIT margin of 3.2% (1.3).
- The EBIT margin was strengthened primarily by the robust measures taken to reduce the cost base in terms of personnel costs and warehousing costs as a result of reduced inventory space.

Net sales by business area



	2024					2023				
(SEKm)	**Q1**	**Q2**	**Q3**	**Q4**	**Jan-Dec**	**Q1**	**Q2**	**Q3**	**Q4**	**Jan-Dec**
Net sales	510.5	672.0	621.5	654.2	2,458.3	943.2	1,281.2	1,004.0	713.0	3,941.4
Gross profit	164.8	161.9	181.0	196.5	704.2	278.9	406.3	282.5	228.8	1,196.4
Gross margin (%)	32.3	24.1	29.1	30.0	28.6	29.6	31.7	28.1	32.1	30.4
Adjusted gross profit*	164.8	207.8	187.3	196.5	756.4	278.9	406.3	296.2	228.8	1,210.1
Adjusted gross margin (%)	32.3	30.9	30.1	30.0	30.8	29.6	31.7	29.5	32.1	30.7
Adjusted EBITDA*	44.2	58.6	51.8	33.3	187.8	48.0	116.8	59.3	59.9	284.0
Adjusted EBITDA-margin (%)	8.7	8.7	8.3	5.1	7.6	5.1	9.1	5.9	8.4	7.2
Adjusted EBIT*	15.4	28.6	24.8	9.5	78.3	-19.0	50.5	-3.6	21.7	49.5
Adjusted EBIT-margin (%)	3.0	4.2	4.0	1.5	3.2	-2.0	3.9	-0.4	3.0	1.3
Items affecting comparability	-	-73.0	-35.0	-2.0	-110.1	-	1.8	-1,269.8	-22.7	-1,290.7
Operating income	12.4	-47.9	-13.7	5.3	-43.9	-24.2	47.0	-1,278.0	-4.1	-1,259.3
Operating-margin (%)	2.4	-7.1	-2.2	0.8	-1.8	-2.6	3.7	-127.3	-0.6	-32.0
Net profit/loss for the period	-14.9	-48.7	-24.2	-32.3	-120.0	-34.9	21.7	-1,244.5	-18.2	-1,276.0
Cash flow from operations	5.8	44.5	51.7	8.3	110.4	171.9	342.1	132.6	77.1	723.7
Total order value	504.9	654.5	617.1	644.8	2,421.3	913.4	1,260.5	984.1	664.9	3,822.9
Orders (thousands)	115	139	138	143	536	230	286	244	207	967
Average order value (SEK)	4,383	4,706	4,457	4,500	4,517	3,969	4,410	4,030	3,218	3,954

COMMENTS ON VALUE HOME

Net sales in Value Home decreased -37.6% to SEK 2,458.3 million (3,941.4) and accounted for 24% of the Group's total net sales. Organic growth was -17.0%.

Value Home operates primarily in the Nordic and Eastern European markets. It is a value-driven model that focuses on offering competitive prices, enabled by private label products.

Trademax is the leading brand in the Value Home business area.

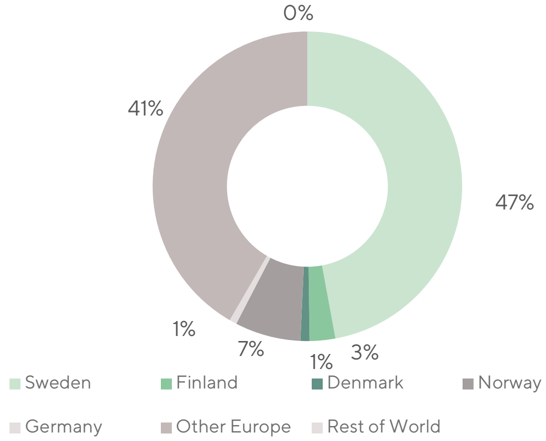
During the year, the focus was on:

- Continuing to develop the business area's furniture segment by shifting the assortment towards entry models and strengthening our price leadership.
- Strengthening the availability of stocked products that were negatively impacted by inventory imbalances following the sharp reduction in inventories carried out in 2023.
- Integration of the newly formed Hemfint Group.
- Building scalable platforms when it comes to technology, warehousing and organisation in order to maintain a competitive cost structure.

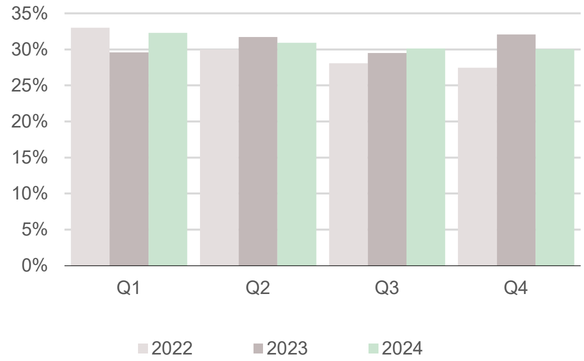
VALUE HOME, QUARTER BY QUARTER

- In the first quarter, the majority of the structural changes announced at the end of Q3 2023 were implemented, and the business area's cost base was significantly lowered. During the quarter, it was announced that two of the business area's existing operations – Hemfint Kristianstad AB and Arc E-Commerce AB, with the site Outl1.se – were being consolidated. At the same time, Trendrum was acquired. Together they formed Hemfint Group. This consolidation is expected to further streamline the operations and lead to purchasing synergies and cost savings.
- During the second quarter, the purchasing and customer service functions were consolidated. Warehouse space was reduced as planned, and further reductions were implemented in the third quarter to lower costs. At the same time, the focus was on strengthening the availability of stocked products that had previously been negatively impacted by imbalances following the sharp reduction in inventories in 2023. During the quarter, we also worked on strengthening the assortment as well as improving and securing key supplier agreements ahead of the autumn season.
- The lion's share of the business area's inventory consolidation was completed during the third quarter, which further reduced fixed costs and enabled more efficient logistics management going forward. Moreover, there was a focus on strengthening the assortment and improving the availability of stocked products, which continued to be impacted by previous inventory imbalances.
- Efforts to strengthen the assortment and improve the availability of stocked products continued in the fourth quarter. Fortunately, these measures yielded results, and the organic sales trend improved compared with previous quarters of the year.

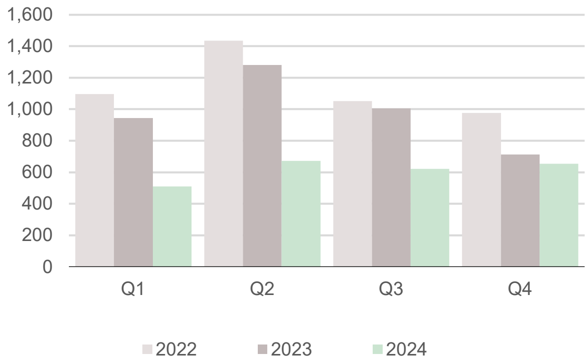
Distribution of net sales by country (%)



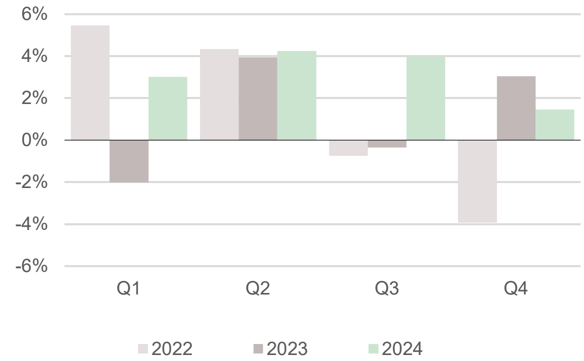
Adjusted gross margin (%)



Net sales (SEKm)



Adjusted EBIT margin (%)

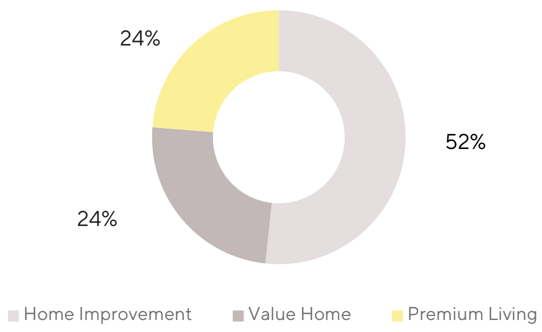


Premium Living

Premium Living

- The business area's net sales rose 8.0%, of which organic growth accounted for 3.6%.
- The gross margin was 22.5% (23.9).
- Adjusted EBIT amounted to SEK 76.9 million (70.9), corresponding to an adjusted EBIT margin of 3.2% (3.2).
- The EBIT margin was in line with the preceding year and was attributable to a lower product margin, mainly due to the fact that mix effects were offset by lower fixed costs.

Net sales by business area



	2024					2023				
(SEKm)	**Q1**	**Q2**	**Q3**	**Q4**	**Jan-Dec**	**Q1**	**Q2**	**Q3**	**Q4**	**Jan-Dec**
Net sales	506.4	511.0	478.6	881.4	2,377.4	498.0	468.5	452.0	782.7	2,201.2
Gross profit	120.8	103.6	98.0	212.5	534.9	118.0	116.9	96.7	193.7	525.3
Gross margin (%)	23.9	20.3	20.5	24.1	22.5	23.7	25.0	21.4	24.7	23.9
Adjusted gross profit*	120.8	122.6	102.5	212.5	558.4	118.0	116.9	96.7	193.7	525.3
Adjusted gross margin (%)	23.9	24.0	21.4	24.1	23.5	23.7	25.0	21.4	24.7	23.9
Adjusted EBITDA*	25.0	24.3	23.4	82.3	155.0	28.2	25.0	20.7	61.9	135.8
Adjusted EBITDA-margin (%)	4.9	4.8	4.9	9.3	6.5	5.7	5.3	4.6	7.9	6.2
Adjusted EBIT*	6.5	4.6	3.4	62.3	76.9	11.9	9.2	4.5	45.3	70.9
Adjusted EBIT-margin (%)	1.3	0.9	0.7	7.1	3.2	2.4	2.0	1.0	5.8	3.2
Items affecting comparability	-	-31.3	-9.2	-	-40.5	-	0.6	-	-	0.6
Operating income	0.8	-37.0	-12.1	56.0	7.6	6.2	4.0	-1.2	39.6	48.6
Operating-margin (%)	0.1	-7.2	-2.5	6.4	0.3	1.2	0.9	-0.3	5.1	2.2
Net profit/loss for the period	-5.2	-40.4	-15.1	36.4	-24.4	1.0	2.0	-8.7	17.1	11.3
Cash flow from operations	-127.5	25.6	67.7	243.6	209.4	-96.6	32.8	74.1	194.7	205.0
Total order value	539.1	538.5	510.8	991.4	2,579.8	506.9	528.1	489.4	827.7	2,352.0
Orders (thousands)	367	308	330	760	1,765	355	321	325	632	1,633
Average order value (SEK)	1,469	1,750	1,548	1,304	1,462	1,429	1,647	1,504	1,309	1,440

COMMENTS ON PREMIUM LIVING

Net sales in the Premium Living business area increased 8.0% to SEK 2,377.4 million (2,201.2) and accounted for 24% of the Group's total net sales. Organic growth was 3.6%.

Premium Living has a premium position that is primarily based on stocking external brands, which internationalises Scandinavian design in a scalable way from their Nordic base. From having almost exclusively focused on the Nordic markets until 2018, the business area has since successfully established a rapidly growing presence in the European market and in certain Asian markets. Sales to customers from countries outside the Nordic region accounted for 41% of Premium Living's sales for the year. The leading brand in the business area is Nordic Nest.

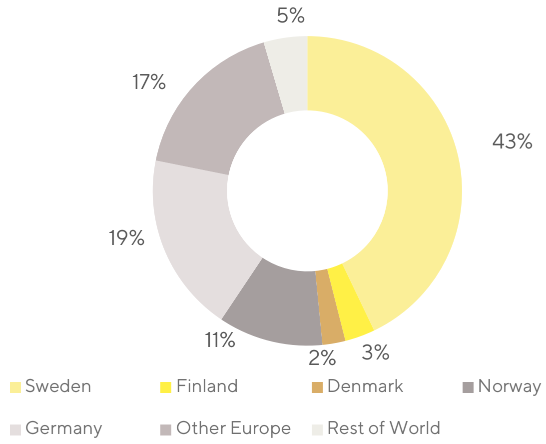
During the year, the focus was on:

- Driving geographic growth for Nordic Nest.
- Developing Nordic Nest Group's three category specialists: Svenssons in furniture, KitchenTime in cookware and cooking, and Lightshop in lighting.
- Continuing efficiency work. Nordic Nest's warehouse automation solution, which was successfully deployed during the fourth quarter of 2024, is having an impact on the handling cost per order and the work is continuing according to plan.

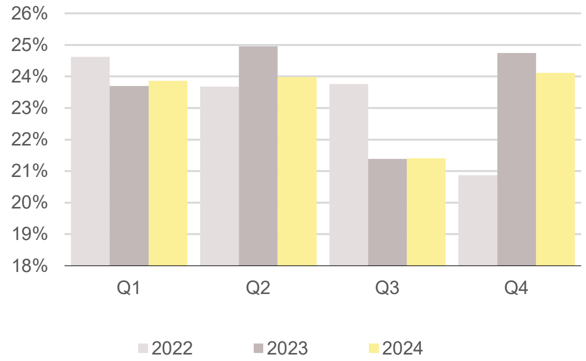
PREMIUM LIVING, QUARTER BY QUARTER

- Sales in the first quarter were in line with the preceding year, but were negatively affected by Easter owing to a calendar effect. The gross margin was in line with the previous year, despite a certain negative currency effect. The ongoing warehouse automation project progressed according to plan. While large parts of the automation project were yet to be completed, we continuous improvements in efficiency were noted. For example, fulfilment costs during the first quarter improved significantly year on year. During the quarter, we announced that Premium Living had strengthened its market-leading position through Nordic Nest's acquisition of the KitchenTime brand and the consolidation of LampGallerian, which was later renamed Lightshop.
- Sales in the second quarter were strong, up 9.1% year on year. Growth was noted across all markets, with the strongest performance in the furniture category. Since furniture has a slightly lower gross margin, profitability for the period was negatively impacted. The new lighting destination Lightshop was launched during the quarter, which strengthened the customer offering in the business area by adding a lighting specialist in the premium segment. The market continued to see a high rate of campaign activity in some product categories, which hampered gross margin levels.
- The growth journey continued in the third quarter, with the furniture category delivering a strong performance and accounting for the highest growth in the quarter. However, the increase in furniture sales put downward pressure on the gross margin, which had a certain negative effect on profitability. The warehouse automation in Kalmar progressed according to plan during the quarter ahead of the launch of the final phase of the project, which was deployed at the beginning of the fourth quarter.
- Growth in 2024 accelerated during the fourth quarter. The Black Friday campaign was successful and effectively ran for a month, which resulted in growth in all major markets. However, this long campaign period had a negative impact on the gross margin. Despite a lower gross margin, the quarter showed a strong earnings improvement, driven by higher efficiency in terms of both fixed and variable costs. The warehouse automation in Kalmar went live during the quarter and immediately resulted in efficiency improvements in the logistics flow.

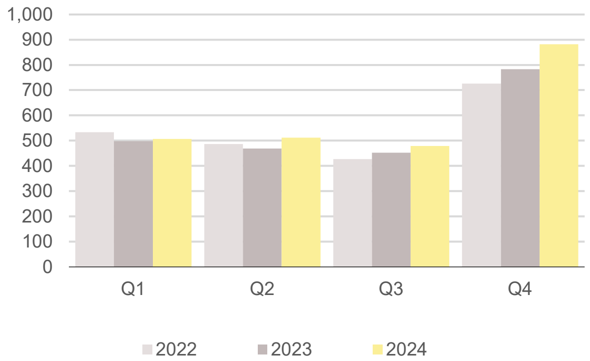
Distribution of net sales by country (%)



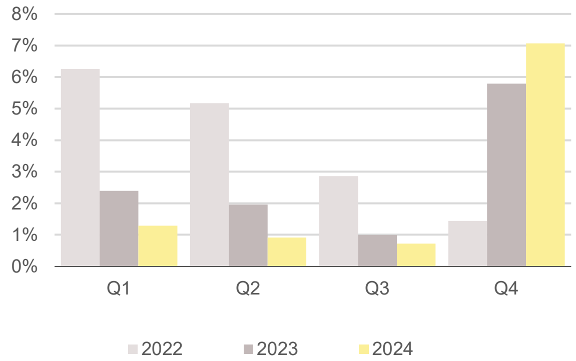
Adjusted gross margin (%)



Net sales (SEKm)



Adjusted EBIT margin (%)



Directors' Report

Directors' Report

GENERAL INFORMATION ABOUT THE OPERATION

BHG is one of the largest consumer e-commerce companies in the Nordics. In addition to our Nordic operations, we also have a significant presence in the rest of Europe, as well as in selected markets outside of Europe.

Our strong position in these markets makes us one of the largest online European pure-plays in our three segments: Home Improvement, Value Home, and Premium Living. The Group includes over 100 online destinations, such as www.bygghemma.se, www.nordicnest.se, www.svenssons.se and www.trademax.se. We offer the market's leading range of well-known external and proprietary brands, totalling approximately 1.5 million products and encompassing a complete offering within primarily DIY, furniture and home furnishing products.

The Home Improvement segment operates almost exclusively in the Nordic market, and is mainly based on a drop shipping model with a low level of tied-up capital, featuring a broad product range and price matching. The segment mainly comprises brands such as Bygghemma, Taloon, Golvpoolen, Nordiska Fönster, Hafa and Hylte Jakt & Trädgård.

The Value Home segment operates primarily in the Nordic and Eastern European markets. It is a value-driven model that focuses on offering competitive prices, enabled by private label products. The segment mainly comprises brands such as Trademax, Chilli and Hemfint.

The Premium Living segment has a premium position that is primarily based on stock keeping of external brands in order to internationalise Scandinavian design within furniture and home furnishings. The segment primarily comprises the brands Nordic Nest, Svenssons and Sleepo.

BHG Group AB (publ) has been listed on Nasdaq Stockholm (Mid Cap) since 27 March 2018. For information about the company's owners, see the section "The share" below.

THE SHARE

The BHG Group AB (publ) share is listed on Nasdaq Stockholm Mid Cap under the ticker BHG with the ISIN code SE0010948588. The market capitalisation of BHG Group AB (publ) on Nasdaq Stockholm as of the last trading day of 2024 was SEK 3.4 billion.

	Holding*	Holing %	Votes %
Ferd AS	31,838,862	17.76%	17.76%
Entrust Global	22,947,842	12.80%	12.80%
Fidelity Investments (FMR)	16,010,372	8.93%	8.93%
Mikael Olander	8,921,686	4.98%	4.98%
Fjärde AP-fonden	8,520,352	4.75%	4.75%
Norges Bank	6,618,686	3.69%	3.69%
Vitruvian Partners	5,967,388	3.33%	3.33%
Avanza Pension	5,660,728	3.16%	3.16%
Svenska Handelsbanken AB For PB	3,673,518	2.05%	2.05%
Futur Pension	3,480,000	1.94%	1.94%
Handelsbanken Fonder	3,292,502	1.84%	1.84%
Tredje AP-fonden	3,104,762	1.73%	1.73%
EQ Asset Management Oy	2,495,000	1.39%	1.39%
Nordnet Pensionsförsäkring	2,288,215	1.28%	1.28%
OP Asset Management	2,262,636	1.26%	1.26%
Total, 15 largest shareholders by holdings	**127,082,549**	**70.89%**	**70.89%**
Other shareholders	52,151,014	29.11%	29.11%
Total shares issued	**179,233,563**	**100.0%**	**100.0%**

* Data as of 31 December 2024 compiled by Monitor.

Share capital

At 31 December 2024, the number of shares issued was 179,233,563, all of which were ordinary shares. The Group's share capital amounted to SEK 5.4 million at the end of the year.

As of 31 December, there were 7,063,654 warrants and share awards outstanding attributable to the Group's incentive programmes. The total potential dilution should all outstanding warrants be exercised amounts to 4.5%. For more information, refer to Note 8.

Change in number of shares

There were not any changes to the number of shares outstanding in 2024.

Dividend

The Parent Company did not pay any dividend in 2023 and the Board of Directors has proposed that no dividend be paid for 2024.

Share trend

The share price at the beginning of the year was SEK 14.3. On the last day of trading in the period, the share price was SEK 19.2. The highest price paid, quoted in December, was SEK 21.3, and the lowest price paid, quoted in January, was SEK 12.4.

During the period, 155,157,703 BHG shares were traded, equivalent to a turnover rate of 87%.

EMPLOYEES

Our success depends on us having competent and driven employees who can create the retail landscape of tomorrow.

That is why we strive to be an attractive employer, creating an environment where people thrive at work and have room to be creative and grow. Attracting and retaining the right people, along with developing their skills, are necessary for the success of BHG and its online advantage. We are proud of the fact that our employees are a driving force behind our success, and we look forward to continuing to grow together.

At year-end, the number of employees in the Group, calculated as FTEs, was 1,589 (1,994). Of these, 922 (1,117) were men and 666 (876) were women.

Information on the average number of employees and salary costs can be found in Notes 8 and 9. More information is available under the section "Our employees" in the Sustainability Report on page 41.

FINANCIAL SUMMARY

Net sales

Net sales declined -15.5% to SEK 9,962.5 million (11,790.2). Organic growth was -9.2%.

Net sales in the Home Improvement segment declined -9.6% to SEK 5,175.4 million (5,726.7). Organic growth was -8.6%.

Net sales for the Value Home segment declined -37.6% to SEK 2,458.3 million (3,941.4). Organic growth was -17.0%.

Net sales for the Premium Living segment increased 8.0% to SEK 2,377.4 million (2,201.2). Organic growth was 3.6%.

The Group's webstores received 4,158 thousand orders (4,716) with a total order value of SEK 10,278.5 million (11,930.0).

Gross margin

The adjusted product margin was 37.8% (38.0). The adjusted gross margin (that is, the margin after deductions for direct selling costs, such as logistics, fulfilment, etc.) amounted to 25.5% (25.0).

This year-on-year improvement in the adjusted gross margin was mainly attributable to lower last-mile costs, primarily as a result of efficiencies and better Group-wide agreements with third-party suppliers, and improved fulfilment costs.

SG&A

Selling, general and administrative expenses (SG&A, defined as total personnel costs and other external costs adjusted for items affecting comparability) amounted to SEK 1,945.8 million (2,370.5), corresponding to 19.5% (20.1) of net sales.

Of the total reduction in SG&A of SEK 424.7 million in the quarter, SEK 189.8 million was attributable to divested operations and the remaining SEK 234.9 million to savings resulting from the extensive cost-cutting and structural measures taken in 2023 and 2024.

Earnings

The Group's operating income amounted to SEK -442.9 million (-1,374.2), corresponding to an operating margin of -4.4% (-11.7).

Depreciation, amortisation and impairment of tangible and intangible assets amounted to SEK -903.0 million (-697.7) for the quarter, of which SEK 278.9 million (-457.8) pertains to depreciation, amortisation and impairment of lease assets. Impairment of SEK -399.0 million, as a result of IP-Agency being recognised as a disposal group as of the fourth quarter, had a negative impact on the year.

Adjusted EBIT amounted to SEK 257.8 million (96.7), corresponding to an adjusted EBIT margin of 2.6% (0.8). Items affecting comparability amounted to SEK -602.7 million (-1,372.5) for the full year, with the aforementioned impairment of a disposal group accounting for SEK -399.0 million in the fourth quarter.

The Group's net financial items amounted to SEK -193.9 million (-219.1) and pertained to interest expenses of SEK -180.9 million (-193.3), of which SEK -18.7 million (-24.5) are related to lease liabilities in accordance with IFRS 16.

The Group reported a loss before tax of SEK -636.8 million (-1,593.3). Net income amounted to SEK -640.1 million (-1,542.5). The effective tax rate was 0.5% (-3.2), corresponding to SEK -3.3 million (50.9). The low tax rate was largely attributable to the impairment of a disposal group.

Currency effects

Generally, the Group does not hedge its currency exposure, but some currency hedging takes place in individual subsidiaries.

Cash flow and financial position

Cash flow from operating activities amounted to SEK 657.2 million (1,550.2), primarily driven by the Group's EBITDA and a positive effect from changes in working capital. The trend in working capital was in turn primarily driven by decreasing inventory levels in the period.

Cash conversion (cash flow from operating activities in relation to adjusted EBITDA) was 90.8% (243.8).

The Group's cash flow from investing activities amounted to SEK -77.6 million (-654.4), and during the period was mainly attributable to IT investments related to web platforms as well as the divestment of Designkupp and the acquisition of KitchenTime.

Cash flow to financing activities amounted to SEK -477.4 million (-970.9), and was primarily attributable to repayments of lease liabilities and interest payments.

The Group's cash and cash equivalents at the end of the reporting period, compared with the beginning of the year, amounted to SEK 473.0 million (370.3). The Group's net debt, which is defined as the Group's current and non-current interest-bearing liabilities to credit institutions, less cash and cash equivalents and investments in securities, etc., amounted to SEK 1,027.0 million at the end of the period, compared with SEK 1,129.7 million at the beginning of the year, corresponding to net debt in relation to pro-forma adjusted EBITDAaL, LTM (see definition on page 121) of 3.33x, which is above the Group's medium-term capital structure target.

In conjunction with the commencement of the Group's new financing agreement, BHG's total credit facilities were reduced from SEK 3,300 million to SEK 2,300 million. The Group's unutilised credit facilities amounted to SEK 800 million at the end of the period, compared with SEK 1,800 million at the beginning of the year.

The Group's total assets at the end of the reporting period, compared with the beginning of the year, amounted to SEK 10,894.7 million (11,423.3).

The Group's equity at the end of the reporting period, compared with the beginning of the year, amounted to SEK 5,984.8 million (6,510.0).

EXPECTED FUTURE DEVELOPMENT

The structural transition from physical stores to online continues, and penetration within the product categories and markets where we operate is still lower than in more mature product markets and geographies. Online penetration for our product categories has increased over the past decade, yet remains relatively low compared with many other consumer market categories such as consumer electronics and books as well as more mature markets, such as the UK and the US. The trend of increasing online penetration has primarily been driven by online retail's nearly unlimited offering, competitive prices, availability and convenience, which have benefited and are expected to continue benefiting online retailers such as BHG.

The contribution margin per order in our product categories is high as a result of a high average order value, attractive gross margins after fulfilment and distribution costs, and low return rates.

BHG expects the Nordic online market for our product categories to gradually improve in 2025. Sweden is ahead of the other Nordic markets in terms of recovery. The less mature Eastern European markets are expected to remain challenging in this period. In the increasing number of international markets where BHG operates, for instance through Nordic Nest, the market situation is also expected to remain challenging but to gradually improve during the year.

Net sales growth

Continue to deliver organic growth above the addressable market.

Profitability

Return to an adjusted EBIT margin of 5%. Over time, further improve the adjusted EBIT margin to 7%.

Capital structure

Objective to strengthen the balance sheet and operate with a net debt/EBITDA target of below 2.5x, subject to flexibility for strategic activities.

Dividend policy

When free cash flow exceeds available investments in profitable growth, and provided that the capital structure target is met, the surplus will be distributed to shareholders.

RISKS

Risks are inherent to all businesses, and a certain degree of risk-taking is necessary for financial growth. These risks may be strategic, operational or financial and also include uncertainty factors that impact the company's financial results and position.

Many risks can be managed through internal processes and procedures, while others are impacted to a greater extent by external factors. The company is exposed to risks linked to systems, processes, seasonal variations and weather conditions, but changes in market conditions and consumer behaviour in online shopping can also entail uncertainty.

In addition, the Group is also exposed to various financial risks such as currency exchange risk, financing and liquidity risks, and interest-rate risk.

The most material risks for BHG are described below.

Changes in buying power as a result of high interest rates and inflation

The economic climate in 2025 is expected to gradually improve, with inflation stabilising at lower levels than in previous years. Although interest rates are expected to remain at a relatively high level compared with the interest-rate situation before the pandemic, more predictable economic conditions could result in increased consumption. Household buying power could improve as living costs stabilise, which could contribute to more balanced consumption and an increased willingness to invest in both everyday needs and larger purchases.

While 2024 marked a period of continued weak demand in capital-intensive product categories such as windows and doors, a gradual recovery was seen during the year and can be expected going forward, driven by a more stable property market with falling interest rates and an increase in renovation projects as the market recovers. This could lead to long-term stabilisation and increased business opportunities for companies like BHG.

According to the Riksbank's forecast, the policy rate is expected to remain under 3%, with gradual small cuts over the course of the year.

Risks related to global logistics chains and currency effects

BHG's dependence on imports makes its operations vulnerable to disruptions in global supply chains. Shipping delays, shortages of raw materials and limitations in the logistics sector could impact both access to goods and cost levels, which in turn could lead to decreased inventory levels, a narrower product range and higher prices. This risks negatively impacting demand, especially among price-conscious consumers.

The continued weak currency is contributing to increased import costs, which is partially impacting prices. For companies that depend on international supply chains, this entails a challenge wherein higher costs either must be absorbed or passed on to consumers, which could further weaken demand.

The global market for consumer products is showing signs of recovery in 2025, driven by falling costs of living and strong buying power. This is creating the conditions for a gradual increase in demand and a more stable market during the year.

The geopolitical climate

Geopolitical tensions comprise a significant risk for BHG's supply chains and cost structure. Trade restrictions against China and other key markets could obstruct import flows, which could impact both access to and pricing on goods. Potential sanctions, limitations and tariffs on exports or amended trade agreements could lead to increased import costs and longer delivery times, which in turn could impact purchasing costs and the company's competitiveness.

In addition to trade policy risks, global conflicts, energy prices and inflationary pressure in different regions could impact logistics costs and consumer buying power. This creates an uncertain market environment, with strategic flexibility and diversification of supplier networks becoming crucial for managing risks and maintaining profitability.

Cybersecurity and information security risks
Cybersecurity and information security risks are a significant challenge for the Group, especially considering the use of various IT platforms both internally and to create an attractive online shopping environment for customers. Any disruptions to these platforms resulting from, for example, ransomware, hacking or DDoS attacks could seriously impact internal processes and lead to operational disruptions in external systems. These risks, including those originating from payment fraud, insider threats or phishing, have the potential to negatively impact the Group's operations, financial position and earnings. Incorrect processing of personal data could have serious consequences, both for the company's reputation and for its financial stability. To reduce these risks, the Group is continuing to invest in robust security measures such as encryption and multi-factor authentication as well as maintaining continual employee training and robust incident management.

Financial risks
As of 31 December 2024, the Group had utilised SEK 800 million of a total available amount of SEK 2,300 million in its credit facilities. As of 31 December 2024, the Group had fulfilled the financial covenants in its credit facilities. In 2024, BHG exercised the option to extend the term of the credit facilities until May 2026. In 2024, BHG adjusted and extended its financing agreement with existing lenders. In connection with the commencement of the Group's new financing agreement, BHG's total credit facilities were reduced from SEK 3,300 million to SEK 2,300 million, at the same time the term was extended to May 2026 with an option for a further one-year extension by agreement. As of 31 December 2024, SEK 1,500 million of the Group's credit facilities have been utilised and all loan conditions in the financing agreement have been met. In March 2025, the Group received consent from the lenders to exercise the extension option and the facilities will therefore mature in May 2027.

For a further description of the Group's exposure to financing and liquidity risks as well as its exposure to other financial risks in the form of interest-rate risk credit risk and currency exchange risk, refer to Note 28.

GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

The annual general meeting held on 5 May 2022 adopted the following guidelines for remuneration to senior executives.

No changes to the guidelines are proposed for 2025.

General

The CEO and the additional individuals in the company's executive management fall within the provisions of these guidelines. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the 2022 Annual General Meeting. These guidelines do not apply to any remuneration decided by the General Meeting of Shareholders.

How the guidelines promote the company's business strategy, long-term interests and sustainability

In short, the company's business strategy is to leverage its leading position in the online home improvement market to continue benefiting from the market's underlying growth as a result of increasing online penetration and to couple organic expansion with further active consolidation measures, such as M&A.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. These guidelines enable the company to offer executive management a competitive total remuneration package.

Long-term share-based incentive programmes have been implemented in the company. Such programmes have been resolved by the General Meeting and are therefore excluded from these guidelines. For more information regarding these incentive programmes, please see www.wearebhg.com. Variable cash remuneration covered by these guidelines should aim to promote the company's business strategy and long-term interests, including its sustainability.

Types of remuneration, etc.

Remuneration is to be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the General Meeting may – irrespective of these guidelines – resolve on, among other things, share-based or share price-based remuneration.

The fixed cash salary is to be individual and based on the responsibility and role of the senior executive as well as the executive's competence and experience in the relevant position.

Variable cash remuneration may amount to a maximum of 100% of the fixed annual cash salary. Additional variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 100% of the fixed annual cash salary and may not be paid more than once each year per individual. Any resolution on such remuneration is to be made by the Board of Directors based on a proposal from the Remuneration Committee.

For the CEO, pension benefits, including health insurance, are to be premium-defined. Variable cash remuneration does not qualify for pension benefits. The pension premiums for premium-defined pensions are to amount to a maximum of 30% of the fixed annual cash salary. For other executives, pension benefits, including health insurance, are to be premium-defined unless the individual concerned is subject to defined-benefit pension under mandatory collective agreement provisions. Variable cash remuneration is to qualify for pension benefits to the extent required by mandatory collective agreement provisions. The pension premiums for premium-defined pensions are to amount to a maximum of 30% of the fixed annual cash salary.

Other benefits may include, for example, life insurance, medical insurance and company car benefits. Premiums and other costs relating to such benefits may amount to a maximum of 30% of the fixed annual cash salary.

For employment governed by rules other than Swedish rules, pension benefits and other benefits may be duly adjusted to ensure compliance with such mandatory rules or established local practice, taking into account, to the greatest extent possible, the overall purpose of these guidelines.

Termination of employment

Upon termination of employment by the company, the notice period may not exceed 12 months. Fixed cash salary during the notice period and severance pay, combined, may not exceed an amount corresponding to the fixed cash salary for two years. Upon termination of employment by the senior executive, the notice period may not exceed nine months, without any right to severance pay.

Criteria for awarding variable cash remuneration, etc.

Variable cash remuneration is to be linked to predetermined and measurable financial or non-financial criteria. These criteria may also be individualised quantitative or qualitative objectives. The criteria are to be designed to promote the company's business strategy and long-term interests, including its sustainability, for example by being clearly linked to the business strategy or promoting the executive's long-term development.

The satisfaction of criteria for awarding variable cash remuneration is to be measured over a period of one year. The extent to which the criteria for awarding variable cash remuneration have been satisfied is to be evaluated/determined when the measurement period has ended. The Remuneration Committee is responsible for the evaluation insofar as it concerns variable remuneration to the CEO. For variable cash remuneration to other senior executives, the CEO is responsible for the evaluation. For financial objectives, the evaluation is to be based on the latest financial information made public by the company.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration, any increases in remuneration and the rate of increase over time, in the basis for the Remuneration Committee's and the Board of Directors' decisions when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to senior executives and remuneration to other employees will be disclosed in the remuneration report.

The decision-making process to determine, review and implement the guidelines
The Board of Directors has established a Remuneration Committee. The committee's tasks include preparing the Board of Directors' decision to propose guidelines for executive remuneration. The Board of Directors is to prepare a proposal for new guidelines at least every four years and submit this proposal to the General Meeting. The guidelines are to remain in force until new guidelines are adopted by the General Meeting. The Remuneration Committee is also responsible for monitoring and evaluating programmes for variable remuneration for executive management, the application of the guidelines for executive remuneration and the current remuneration structures and remuneration levels in the company. The members of the Remuneration Committee are independent of the company and its executive management. The CEO and other members of executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration.

Derogation from the guidelines
The Board of Directors may resolve to temporarily derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Description of material changes to the guidelines and how the views of shareholders' have been taken into consideration
In the proposal for guidelines submitted to the 2022 Annual General Meeting, the highest level of variable cash remuneration has been lowered from 200% to 100%, the highest level of pension premiums been lowered from 100% to 30% and the highest level of other benefits been lowered from 100% to 30% of the fixed annual cash salary. BHG has not received any views from shareholders to take into consideration in the preparation of this proposal.

PARENT COMPANY

BHG Group AB (publ) is the Parent Company of the Group. The company does not engage in the sale of goods and services to external customers.

The Parent Company holds shares in its subsidiaries, as specified in Note 16.

The Parent Company's net sales totalled SEK 11.3 million (7.9) and its operating loss amounted to SEK -60.6 million (-79.8). The Parent Company's cash and cash equivalents totalled SEK 2.8 million at the end of the reporting period, compared with SEK 42.5 million at the beginning of the year.

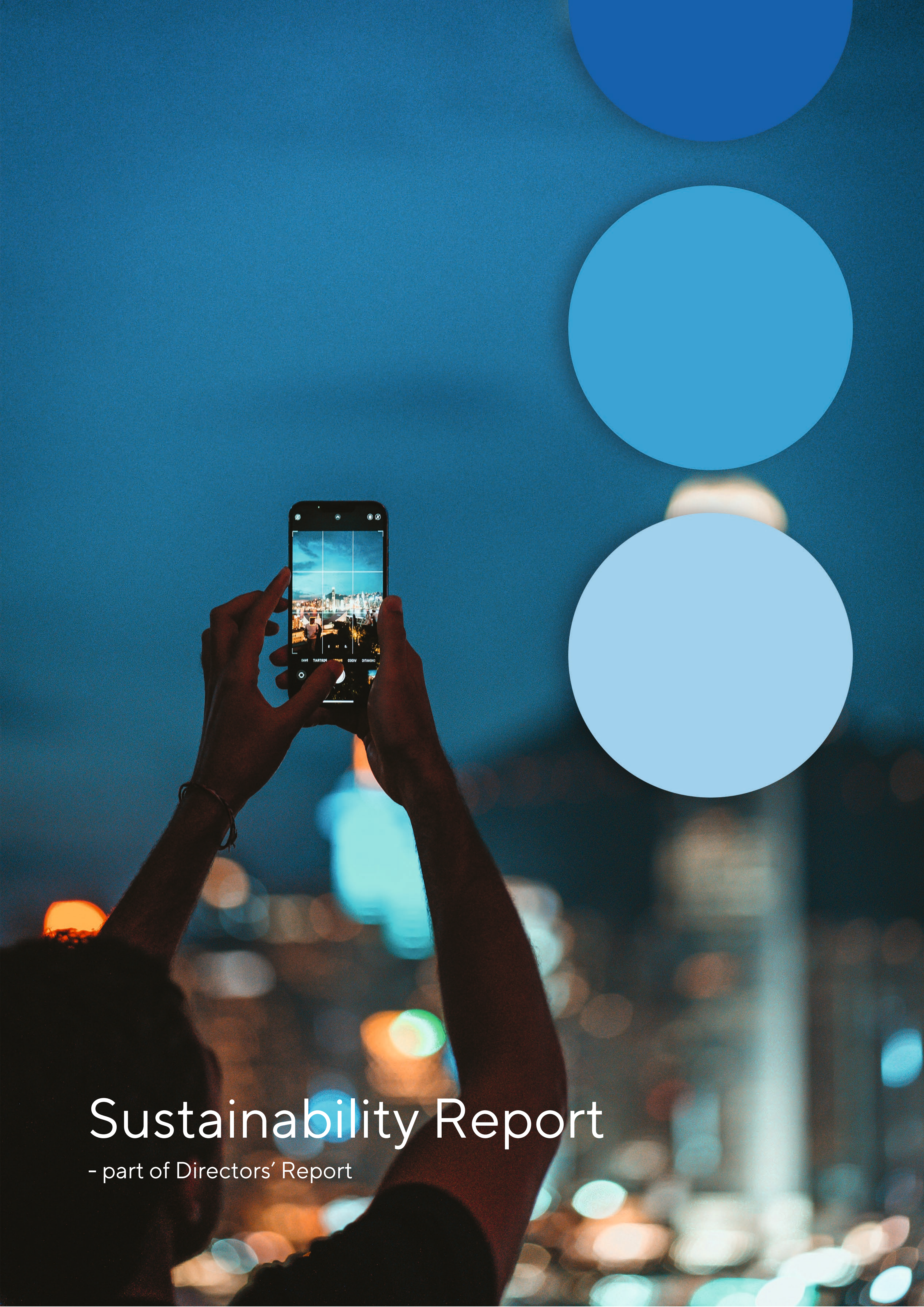
The Board of Directors' proposal to the Annual General Meeting is that no dividend be paid to the shareholders for the 2024 financial year. The basis for this proposal is the high availability of investments in profitable growth.

APPROPRIATION OF PROFIT

BHG Group AB

559077-0763

Appropriation of profits (SEK)	
At the disposal of the annual general meeting	
Retained earnings	83,504,931
Share premium reserve	6,563,455,683
Profit/loss for the year	-82,258,939
	6,564,701,675
The Board of Directors proposes	
to be carried forward	1,245,992
whereof share premium reserve	6,563,455,683
	6,564,701,675



Sustainability Report

- part of Directors' Report

BHGS'S SUSTAINABILITY JOURNEY

2024 was an eventful year for BHG in terms of sustainability, with preparations for reporting under the EU Corporate Sustainability Reporting Directive (CSRD) remaining in focus. During the year, the Swedish Parliament voted to adopt new sustainability reporting regulations, which means that BHG will begin reporting according to the Directive in 2025.

An analysis of the regulations was conducted over the past year in order to improve our understanding of what we as a group need to have in place during the coming year. The double materiality assessment and gap analysis identified the work that will now continue in 2025 to ensure that we are well prepared for the upcoming reporting requirements under the CSRD.

At BHG, we believe in the power of partnership, and we can contribute to successful solutions by working together with our customers, suppliers and social actors. We continue to take responsibility and drive sustainable change in our decentralised model.

Further integrating a sustainability perspective into our core business will remain a top priority in 2025, with a focus on both training and projects to enable better measurement in the quantitative part of the reporting.

Continued preparations

The turbulent market environment that we saw during and after the pandemic resulted in substantial changes within the Group, focused on measures to drive efficiency and reduce costs. This focus continued in 2024, although we saw positive changes in several macro indicators during the year, which we believe will lead to a gradual recovery in 2025. As part of our consolidation process, we continued to build larger and more scalable platforms in 2024, which are expected to create benefits from a sustainability perspective in the years to come.

In addition to consolidations, in 2024 we acquired Trendrum, which has a furniture and home furnishing range for the entry and lower-mid segments, as well as KitchenTime, a strong Nordic brand in food preparation, serving and kitchen products. BHG also divested the Norwegian bathroom and kitchen fittings specialist Designkupp AS.

We look forward to continuing our sustainability journey next year, with a focus on the ongoing implementation of the European Sustainability Reporting Standards (ESRS) to measure and reduce our climate impact.

Sustainability is not just part of our strategy – it's the foundation for our long-term success, and together we will continue to challenge ourselves and the world around us in order to create a more just and sustainable future.

Gustaf Öhrn,
President and CEO, BHG Group

THIS IS BHG

BHG is one of the largest consumer e-commerce companies in the Nordics. In addition to our Nordic operations, we also have a strong presence in the rest of Europe and in selected markets outside Europe. We strive to integrate sustainability as a core part of our operations and corporate strategy.

Business model

We offer our customers a broad and relevant range of products and services in our respective categories and geographies. BHG consists of three segments: Home Improvement, Value Home, and Premium Living.

1) Home Improvement is primarily driven as a drop shipping model for DIY products
2) Value Home focuses on offering competitive prices, primarily within furniture and leisure products
3) Premium Living occupies a premium position in furniture and interior design, based on inventory management

The Group's operations are based on a decentralised model, with the overall strategic plan defined at the Group level and subsequently executed by the CEO of each subsidiary. Our three segments have differentiated business models, especially with respect to inventory management, which creates different conditions for and approaches to sustainability.

Changes during the year

BHG completed two acquisitions in 2024: Trendrum, a retailer of private label furniture products, and the KitchenTime brand, which was consolidated into Nordic Nest. In addition to these acquisitions, several consolidations were completed within the Group which resulted in the sale of the Norwegian bathroom and kitchen fittings specialist Designkupp. The acquired operating units will be included in their entirety in the 2024 Sustainability Report, while the divested companies will not be reported.

SUSTAINABILITY FOR BHG

BHG's sustainability efforts encompass the environment, social conditions and employees as well as human rights and anti-corruption work. The framework for BHG's sustainability efforts is based on the UN Sustainable Development Goals (SDGs) for 2030. We are transparent in our sustainability efforts, and our approach to reporting in accordance with the EU Taxonomy is described on the following pages. The process of ensuring that our sustainability reporting is in line with CSRD continues, and we will report under the Directive in the next reporting period.

The BHG Group AB (publ) share is listed on Nasdaq Stockholm
Mid Cap.
Number of employees: 1 691
Net sales: SEK 9 963 million
Equity: SEK 5 854 million
Liabilities: SEK 5 041 million

BHGs focus areas and impact assessment

While preparing for the CSRD, BHG chose to further develop the materiality pyramid that was previously used as the basis for the Group's sustainability strategy. This led to the identification of focus areas based on the results of the materiality assessment performed in 2020. The assessment employed a risk perspective based on an analysis of indirect and direct risks to BHG. The risk analysis, combined with benchmarking and a review of the current situation, resulted in clearly defined sustainability matters in the areas of environment and climate, social topics and governance. By employing a risk matrix where the likelihood and impact of risks were analysed, we were able to identify the areas with the highest risk. These were then ranked from high to low potential impact in our impact assessment, where we took into account their potential external impact, potential internal impact and potential for value creation. The assessment followed the Global Reporting Initiative (GRI) method for assessing double materiality, meaning that it identified BHG's sustainability-related impacts as well as the impacts on BHG, including both negative and positive impacts in the areas of human rights, labour rights, the environment and anti-corruption across the value chain. The assessment also included financial, operational and reputational impacts.

Stakeholder group	Method	Top three prioritised areas
Owners	**Questionnaire and interview**	Ensuring a high level of data protection and protecting customer privacy
		Eliminating child labour and forced labour
		Ensuring a healthy and safe work environment
Board of Directors	**Questionnaire and interview**	Minimising resource consumption
		Eliminating child labour and forced labour
		Minimising climate impact
Employees	**Questionnaire and interview**	Attracting and retaining employees and providing competence development
		Minimising climate impact
		Eliminating child labour and forced labour
Group companies	**Questionnaire and interview**	Attracting and retaining employees and providing competence development
		Minimising resource consumption
		Ensuring a healthy and safe work environment
Customers	**Questionnaire**	Eliminating child labour and forced labour
		Minimising climate impact
		Maintaining high levels of product safety and quality
Suppliers	**Questionnaire**	Working actively to eliminate corruption
		Protecting biodiversity and ecosystems
		Ensuring a healthy and safe work environment

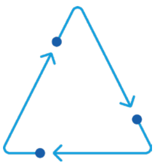
BHGs sustainability strategy
In further developing the previous materiality pyramid, BHG has chosen to focus on four areas: sustainable products; sustainable deliveries; sustainable employees; and sustainable business. These focus areas complement and strengthen the previous materiality pyramid by ensuring that sustainability is woven throughout all aspects of our business. By focusing on these areas, we endeavour not only to fulfil our sustainability targets, but also to create long-term value for our stakeholders and society at large.

Sustainable product
BHG will endeavour to ensure sustainable waste handling, with product safety and quality as watchwords. Our work related to the value chain will minimise our resource consumption and promote a circular economy.

Sustainable delivery
BHG will ensure sustainable and ethical supply and distribution chains by optimising package volumes, reducing air freight and increasing the share of green deliveries.

Sustainable people
BHG will ensure that we attract, develop and retain competence within the Group through personnel-related initiatives. In addition, we aim to reflect society at large to the greatest possible extent by proactively addressing equality, diversity and inclusion

Sustainable business
BHG will focus on resource efficiency through factors including energy consumption and the reduction of packaging. We will also ensure efficient processes in the areas of internal control, self-assessment and data protection.



BHG's sustainability targets
The process of designing clear sustainability targets for BHG began in the second half of 2021. These targets were adopted by the Board of Directors in February 2022. In the 2022 Sustainability Report, we reported a change in the timetable for our Scope 1 emission target. The Group anticipates that the implementation of reporting under the CSRD next year is very likely to result in a revision of our sustainability targets.

Connection to the UN's Agenda	Focus areas	Target
13 Climate action; 12 Responsible consumption and production	**Minimize Climate Impact**	**Reduce Carbon Emissions by 50% by 2030** 1 a. Scope 1 & 2: Zero greenhouse gas emissions by 2030 1 b. Scope 3: 50% reduction in greenhouse gases by 2030 2. Promote a Sustainable Offering
5 Gender equality; 8 Decent work and economic growth	**Ensure Sustainable Supply and Distribution Chains**	**Equal Workplace and Sustainable Supply Chain** 3. By 2025, 100% of our strategic suppliers*** will have been evaluated, and action plans will have been developed and implemented 4. Our employees perceive BHG Group as a good and equal workplace
8 Decent work and economic growth; 12 Responsible consumption and production	**Financial Development & Economic Growth**	**Corporate Governance and Economic Growth** 5. 100% of BHG's fully integrated business units and destinations manage data security in accordance with the best available standards

* Percentage reduction in relation to sales growth
** Revised target (2022) for Scope 1 & 2. Initial target on zero emissions by 2025 has been revised to 2030.
*** 60% of BHG's total sales

GOVERNANCE AND RESPONSIBILITY FOR SUSTAINABILITY

The Board of Directors has the overall responsibility for sustainability, while the CEO is responsible for executing the Board's decisions and strategies. The Group CTO and Head of Sustainability is responsible for leading and coordinating the sustainability work. The CTO reports directly to the CEO and informs the Board of Directors on outcomes once a year. The Group also holds monthly meetings with key individuals from each company. During these meetings, the companies receive up-to-date information about the Group's work and they can also bring up sustainability matters for discussion.

Policy documents

The core sustainability policies that BHG applies include our Code of Conduct, Supplier Policy, Environmental Policy, Employee Policy, Purchasing Policy, CSR Policy and Information Security Policy. The CEOs and management of our companies receive the Code of Conduct and the other policies, after which it is up them to implement the policies at each company. BHG's internal control process is used to monitor compliance with these policies.

Our Code of Conduct, which is based on the Ten Principles of the UN Global Compact, states the company's position concerning respect for human rights, labour conditions, the environment and anti-corruption. The Code of Conduct applies to BHG's Board members, employees, consultants and partners.

BHG employees shall receive the Code of Conduct when they are hired, and members of the Board of Directors receive information about the Code as part of their orientation. The Code of Conduct was updated in the second half of 2021, and all of BHG's employees signed agreements stating that they had read and understood it when it was implemented.

Deviations from the Code of Conduct can be reported anonymously through BHG's Group-wide whistleblower system. We are satisfied with our level of policy implementation, since we have low levels of deviations reported.

Risk analysis

BHG's value chain has been analysed, looking at risks associated with human rights, employees, social conditions, the environment and anti-corruption. The risk analysis also included industry and operation-specific sustainability risks. The risks identified primarily occurred in the supply chain, since we do not own manufacturing plants but instead purchase products from manufacturers and business partners/agents. The risks are primarily related to emissions, resource and material use, the risk of corruption, and human or labour rights violations. In addition to risks in the supply chain, risks were also identified in logistics and transportation. As an e-commerce company, we are focused on GHG emissions from shipping, something we continuously address by ensuring low return rates, an area where BHG is on the cutting edge.

We continually develop our risk management process to strengthen and build up the company's long-term resiliency, based on our focus areas. The overall control environment is the foundation of our risk management process. A sound control environment is based on an organisation with clear decision paths where responsibility and authority are clearly defined. In BHG's decentralised company model, our centrally defined internal control system with relevant parameters for defining risk and risk management is extremely important. The company's Audit Committee receives reports on risk and risk management on an ongoing basis during the year, while the Board of Directors is updated annually. You can read more about how we are addressing these material topics in the following sections of the Sustainability Report.

BHG'S MATERIAL AREAS

Business conduct (anti-corruption)

BHG takes a zero-tolerance stance towards all forms of corruption. Cooperating with the right partners and suppliers as well as addressing ethical and moral topics are of critical importance to the Group. BHG builds relationships with business partners based on trust, transparency and honest business relationships, with a shared philosophy on sound business practices.

The largest corruption risk is associated with the purchase of products. There is also a potential risk of corruption if we were to be dependent upon a supplier or business partner. We also believe that there is a risk of corruption connected with cash management in the parts of our operation where cash management is performed. Our requirements and expectations for our employees, business partners and suppliers when it comes to anti-corruption are stipulated in our Code of Conduct and Supplier Code of Conduct. All BHG employees are obligated to follow our Code of Conduct, which provides them with information about guidelines and our preventive work regarding bribes and corruption. Any deviations from the Code of Conduct and the Group's business ethics guidelines can be reported anonymously to the Group's whistleblower system. A case is started when a suspected instance of corruption is reported via the whistleblower system. The case is handled by an independent external party or by BHG internally, depending on the nature of the case. The case initiates an investigation during which it is either escalated or concluded.

A total of 0 cases were reported via the whistleblower system during the year, including 0 cases of corruption. BHG's internal control process is used to monitor compliance with company policies.

SUSTAINABLE SUPPLY CHAINS

ENSURING SUSTAINABLE AND ETHICAL SUPPLY CHAINS AND MAINTAINING HIGH LEVELS OF PRODUCT SAFETY AND QUALITY

BHG has no manufacturing plants of its own. Instead, products are mainly purchased directly from business partners, suppliers or through agents in the Nordic region, Eastern Europe and Asia. Our proprietary brands are complemented by strong brands from third-party suppliers.

A significant share of BHG's impact occurs in the supply chain for production of the goods sold by our companies. Areas affected by our suppliers' production include climate and environmental impacts, since the manufacturing of our products causes GHG emissions that contribute to climate change or deplete natural resources.

Our ability to control this is limited, but through systematic efforts we can establish requirements for our suppliers. This work means ensuring that our products are manufactured by producers that respect and uphold human rights, labour rights and good business conduct and are not associated with any form of child labour or forced labour. This is of particular importance when we purchase products produced in areas with a higher risk of deviations.

Being an e-commerce leader in our industry requires us to ensure that our suppliers and distribution chains are sustainable and ethical. To support a sustainable supply chain, we established a Supplier Code of Conduct in which we clearly delineated our requirements and expectations. The Supplier Code of Conduct is based on the Ten Principles of the UN Global Compact Our suppliers and business partners must respect human rights and labour rights, minimise their negative environmental impact and maintain good business conduct. These requirements include zero tolerance for child labour or forced labour. BHG has no central purchasing function. Instead, the Supplier Policy is presented to the companies' management groups, who are responsible for implementation and compliance. Our companies are also responsible for evaluating new business partners, suppliers and agents according to the Supplier Code of Conduct. Our ambition is for the Supplier Code of Conduct to be included in all of BHG's agreements with new suppliers. BHG's target is for all strategic suppliers to be evaluated based on both social and environmental criteria by 2025. Our objective is for all of the companies in the Group to perform ongoing supplier evaluations, particularly with respect to the Group's proprietary brands. Some of our companies already have systematic processes in place for evaluating suppliers and conducting follow-ups in low-cost countries where the risk of deviations is assessed as being the greatest. In 2024, 66% had signed our Supplier Code of Conduct, which is an improvement on the previous year's 55%. Our goal is 100% of our strategic suppliers by the end of 2025. During the year, we have strengthened our work on human rights by conducting risk assessments in our supply chain and introducing clearer requirements for compliance with our code of conduct. Additionally, we have improved our processes for identifying and managing potential risks.

As a group with a decentralised business model, we face challenges when it comes to coordinating the supply chain, and how our companies' management of their supply chains varies. We have continued to work on improving our governance, implementation and follow-up of supply chains, and we will continue to do so in the years to come. This also includes evaluating how we can set stringent requirements for manufacturing our proprietary brands and the external brands we purchase.

Our work related to product safety and quality

BHG's range consists of external brands, mainly well-known brands such as Bosch, Husqvarna, &Tradition and Rörstrand, as well as proprietary brands. When it comes to external brands, the manufacturers are responsible for product safety. We complement the external brands we offer with a portfolio of proprietary brands that meet or exceed customer expectations. Product safety and quality play an important role in this structure. Our proprietary brands are primarily manufactured in Eastern Europe and Asia. In Asia, product safety standards can be lower than the EU regulations for product safety and quality. In order to live up to our customers' expectations, it is important that we ensure that all of our suppliers meet the requirements for product safety set by the EU. Every company within BHG is responsible for the design and quality assurance of its own products. 5 incidents related to inadequate product safety were reported at BHG during the year. Internal investigations have been conducted and the products have been removed from the range. We continually address product safety within our respective operating companies, and our ambition is to continuously create a clearer risk assessment in order to better identify high-risk products in our range.

BHG'S CLIMATE IMPACT

BHG's long-term objective, with a horizon reaching to 2030, is especially focused on reducing its climate impact in order to achieve its targets. In addition to our efforts to reduce emissions associated with our suppliers and transports, we endeavour to use energy and materials more efficiently and to reduce our GHG emissions and the waste generated by our operations. Since a large part of our climate and environmental impact occurs in the supply chain where our goods are produced, we will continue to focus on this area in the coming years. Environmental topics are governed by BHG's Environmental Policy as well as its Code of Conduct and Supplier Code of Conduct. To ensure responsible production by our suppliers, we have strict requirements for them to perform environmental risk assessments and take measures to prevent, mitigate and monitor the effects of their operations. Compliance is monitored by BHG's internal control function.

Minimising climate impact

By closely following up and working proactively to reduce our emissions in the entire value chain, we can reduce the negative impact of our operations on the environment and the climate. We have a responsibility to minimise resource consumption in all channels where we can make a difference, especially in the areas of the value chain that are most material to us. This means not only focusing on reducing emissions from our own activities, but also working with our suppliers and partners to encourage them to employ sustainable methods and principles as well. Implementing follow-up and control mechanisms allows us to identify and address potential problems at an early stage, enabling us to take corrective actions and continually improve our processes.

Transport and distribution

A large share of the products is delivered directly from suppliers to customers via third-party distributors. In addition, products are distributed through our own distribution network via third parties (such as DSV, DHL and PostNord) and through BHG's own last-mile deliveries using our own vehicles and drivers. Today, BHG has its own infrastructure for last-mile deliveries in Stockholm and Skåne County.

We have the greatest possibility of affecting transportation and resource management in our own distribution network. When it comes to our last-mile deliveries, we engage in regular dialogues with our logistics partners about improving efficiency in the flow of goods between suppliers, warehouses and end customers. We aim to have a higher fill factor and improve loading, which indirectly leads to reduced emissions from customer deliveries. The emissions generated from our own transportation are included in our CO_2e reporting. It is also important to minimise the return rate, since this helps to avoid unnecessary shipments and thereby emissions. The share of returns for BHG is relatively low, under 5%.

Materials and waste

When it comes to minimising environmental impact, materials and waste are an important area. To this end, we apply our Supplier Code of Conduct, which all new suppliers are encouraged to sign. Suppliers are encouraged to reduce, reuse and recover products and materials, in order to minimise the amount of waste created in manufacturing.

BHG is furthermore investigating how we can increase circular flows in our companies. At present, we offer several products produced from recycled materials. The share of recycled materials is relatively small, but BHG sees an opportunity to develop its range in the future.

Waste generated in our own operations includes plastic, cardboard and packaging meant to protect our products, which is a direct impact and is our responsibility to minimise and streamline. Reuse and recovery of packaging and packaging materials are examples of measures to achieve more efficient use of resources. In addition, our companies engage in dialogues with our logistics partners regarding smarter packaging and use of packing material. The goal is to minimise resource consumption when shipping and delivering our products to customers.

We sort paper, plastic and other consumables at our offices. Our companies work with well-established third parties in the recycling industry. From our suppliers in the recycling industry, we receive reports on the generated waste from our operations. In 2024, BHG's operations generated a total of 2,195 tonnes of waste. For 2024, we have not been able to separate the waste by fraction, something we will look into in the future. In regard to waste, we are limited to our own operations but we encourage customers to sort waste after delivery.

Energy and climate

Our energy consumption and our GHG emissions our connected to our offices, warehouses, showrooms and the data servers we use to conduct our operations. Energy-saving measures are implemented regularly at our warehouses, showrooms and offices. We want to reduce our climate impact and emissions by reviewing potential efficiency measures in our operations. Our ambition is to continually improve our opportunities for taking responsibility for our climate impact. Our boundaries in the area of data collection are linked to our material areas, which encompass Scope 1 and 2, as well as transportation/distribution, travel and waste under Scope 3.

BHG applies the precautionary principle, and our Environmental and Sustainability Policy establishes our overall expectations for our operations and our companies when it comes to environmental and climate issues.

At BHG, we follow up our efforts through our internal control process as well by sharing knowledge on energy-efficient measures between companies.

There are still room for improvements, and we are aware that the actual emissions may be higher than reported, as we currently do not have complete data from all companies. This year's reporting has also been affected by the implementation of CSRD, where we have already changed the method for some of the data collection, which affects comparability with previous years. We continue to learn, and our view is that the work related to reporting in accordance with CSRD will make us better at understanding our impact across the entire value chain.

The results of the data collection are presented in the table 'Energy Use and Emissions' below. The collected data corresponds to 100% of the group's companies. As the group has continuously changed during the years 2022-2024 with both acquisitions and divestments, the comparability between the years is affected.

Energy consumption in the organisation (MWh)

Energy source	2024	2023	2022
Fuel (diesel and natural gas)	458	879	1,635
Electricity	9,905	12,436	16,722
Heat	8,849	10,835	14,830
Cooling	300	82	200
Total energy consumption	**19,512**	**24,232**	**33,387**

Includes data from our offices, stores and warehouses. For more information about which companies are covered in this report, see "About this report".
** The data in the 2022 column has been adjusted retrospectively due to changed conversion factors (2022).*
*** During 2023 and 2024, four companies were divested and are not included in the sustainability reporting for 2024, while one company was acquired, which is only included in 2024. Energy consumption in 2023, excluding the divested company, would have been: 24,164 MWh.*

Total emissions, tCO2eq*

	2024	2023	2022
Scope 1	2,199	2,896	3,602
Scope 2	1,209	1,888	2,456
Scope 3	16,595	17,964	22,829
Total	**20,003**	**22,748**	**28,887**

* As the group has begun the transition towards reporting according to CSRD, certain methodological changes have been made, which affect the comparability between 2024 and previous years.
Scope 1: Wood chips, natural gas, owned/leased cars. Emission factors from DEFRA 2023, IEA 2021, and SMED & IVL C619 (2019).
Scope 2: In 2024, supplier-specific emission factors have been used as much as possible. Where supplier-specific factors have not been available, emission factors from IEA 2023, DEFRA 2023, and SMED & IVL C619 (2019) have been used.
Scope 3: Logistics and business trips. Emission factors from Exiobase 3.9, NTM (2018/2022), SMED & IVL C619 (2019) and AIB (2023).

Energy consumption and total emissions

In 2024, both acquisitions and divestitures occurred within the group, affecting the comparability between 2024 and previous years. If we exclude data related to the divestment of Designkupp AS for 2023 while not including Trendrum AB for

2024, we see a reduction in energy consumption by 6,242 MWh, with the majority of the change coming from divested store and warehouse locations. Note that Kitchentime is not excluded in 2024 as it has been consolidated into Nordic Nest AB. Using the same calculation method, we see a reduction in emissions for the group by 3,227 tons of CO2e. The reduction can mainly be attributed to transportation and heating.

Our employees, both at the group and subsidiary levels, are our ***most valuable asset****, and our success is built on their* ***competence and motivation****. We endeavour to offer a* ***safe, stimulating and broadening workplace*** *with opportunities for skills development*

OUR EMPLOYEES

Our employees, both at the group and subsidiary levels, are our most valuable asset, and our success is built on their competence and motivation. We endeavour to offer a safe, stimulating and broadening workplace with opportunities for skills development, which contributes to the company's continued success. This makes us an attractive employer where our employees thrive. Our Code of Conduct, which is based on UN human rights recommendations, serves as the basis for a healthy workplace. With this code as a foundation, we want to ensure that all of our employees are treated fairly and without prejudice or discrimination, regardless of gender, ethnicity, religion, disability, sexual orientation or age. We reject all forms of discrimination in recruitment, wage-setting, skills development, promotions, termination and our daily interactions. Recruitment, development opportunities and promotions shall be based on qualifications. Indirect employees also work at BHG, often as consultants or in our warehouses and customer service. BHG had 135 indirect employees in 2024.

A responsible employer

BHG's decentralised corporate structure is characterised by competence, entrepreneurship, management by objectives and rapid decision paths. Our Code of Conduct and Employee Policy form the framework and clearly state our requirements for our employees and workplaces, including equality and diversity, work environment, occupational health and safety, recruitment and development and training. The majority of our employees are part of a collective agreement. This applies to our companies in Sweden. For all of our operations, the respective management is responsible for the employees' work environment.

A major part of BHG's corporate culture is maintaining an entrepreneurial spirit, where we encourage individual initiative and commitment which can be used as a base to grow into new roles and career paths. Our objective is for all of our employees, at both the Group level and in our portfolio companies, to have annual performance reviews that include individual objectives and development plans as well as feedback on their performance and goal fulfilment in order to strengthen the objectives-based management of performance and behaviour. In summary, performance reviews encompass feedback on an employee's performance as well as the fulfilment of goals and professional requirements. The professional requirements are mapped against the employee's development plan, for which training is planned and conducted. The performance reviews also give our employees an opportunity to provide feedback on their perception of BHG and its portfolio companies as employers.

In our decentralised structure, our portfolio companies establish their own processes for performance reviews and execution, with the core elements described above as the shared foundation. The reviews are planned and held by the employee's immediate supervisor, and it is each CEO's responsibility to ensure that the performance review process is conducted annually. Refer to the table "Performance reviews" to see the share of BHG's employees who participated in these reviews over the year.

An equitable and inclusive workplace

BHG strives to be a diverse and inclusive workplace. We do not allow any form of discrimination, harassment or bullying. Our presence in many different countries and our broad customer group means that supporting gender, age and ethnic diversity is part of our DNA. We work continuously to provide a workplace where everyone feels welcome and where differences are appreciated and utilised. These expectations are stipulated in our Employee Policy and our Code of Conduct, which are distributed to each company in the Group. 0 confirmed cases of discrimination were reported during the year.

BHG strives for gender parity within the Group and aims for men and women to each represent 50% of the total number of employees as well as among management. In 2024, the number of women with permanent employment amounted to 621 of a total of 1,493 employees, or 42%. Our employees are often young and come from different backgrounds. The diversity challenges we see in our operations largely concern people in upper management who are often the same age and gender and from similar backgrounds. This is partially a result of acquiring several companies where the founders and entrepreneurs had similar backgrounds. BHG has an equal gender distribution on the Board of Directors, but still has an unequal gender distribution in management. There is a risk that the company will not be perceived as an equitable and attractive employer, which could lead to difficulty in attracting qualified employees.

Since acquisitions are a natural part of BHG's strategy for continued growth, the number of employees fluctuates in relation to companies that are acquired, in addition to recruitment for new positions and to replace departing employees.

Total number of employees by employment contract, employment type and gender

Employment contract	Women	Men	Non-binary	Total
Permanent employment	621	871	1	**1,493**
Temporary employment	45	51	0	**96**
Total	**666**	**922**	**1**	**1,589**
Full-time	549	797	1	**1,347**
Part-time	117	124	0	**241**
Total	**666**	**922**	**1**	**1,589**

The table includes employees from all of the companies in the BHG Group.

Total number of employees by employment contract and region

Region	Total	Permanent employment	Temporary employment
Nordic region	1,243	1,148	95
Other countries in Europe	334	334	0
Other countries outside Europe	12	11	1
Total	**1,589**	**1,493**	**96**

The table includes employees from all of the companies in the BHG Group.

Employee turnover by gender, age and region

Total	New employees (%)	Employee turnover (%)
Total	**571 (36%)**	**717 (45%)**
Women	239 (36%)	332 (50%)
Men	332 (36 %)	385 (42%)
Non-binary	0 (-)	0 (-)
<30 years	412 (35%)	438 (38%)
30-50 years	150 (14%)	238 (23%)
>50	9 (5%)	41 (23%)
Nordic region	474 (38%)	630 (50%)
Other countries in Europe	97 (29%)	87 (26%)
Outside Europe	0 (-)	0 (-)

Share (%) based on the total number of employees

BHG management and employees by gender and age (%)

Employment category	Women	Men	<30 years	30–50 years	>50 years
Board of Directors	50%	50%	0%	50%	50%
Management group	0%	100%	0%	100%	0%
Managers	50%	50%	0%	100%	0%
Other employees	24%	76%	35%	53%	12%

Share (%) based on the total number of employees at BHG's head office, which corresponds to 25 employees.

Composition of the Board Of Directors, 2023

Number of Board members	**6**
Number of independent Board members	**5**
Average term of office	**2.3 years**

New figures from 2022. See page 60-61 for information on the Board of Directors.

Other companies' management and employees by gender and age (%)

Employment category	Women	Men	<30 years	30-50	>50
Management group	23%	77%	4%	83%	13%
Managers	55%	45%	20%	69%	10%
Other employees	47%	53%	53%	40%	7 %

Number of employees who have had a performance review by gender and employment category

Employment category	Women	Men	Total
Management group	96%	88%	**89%**
Managers	78%	88 %	**82%**
Other employees	69%	67 %	**68%**

Based on the total number of employees in the companies included in this report. The employment categories include both the BHG Group (head office) and other companies.

Health and safety governance

BHG's decentralised structure means that our companies have made varying amounts of progress in their systematic health and safety work. We continually work to improve the work environment, and our health and safety policies apply to all of the companies in the Group. Work environment and safety are core parts of these policies, including guidelines for physical and psychosocial health. Our companies have management systems and established processes for detecting and addressing risk areas that could entail ill health for our employees.

All of BHG's employees are covered by the company's health and safety procedures. Systematic health and safety work is based on locally produced handbooks, guidelines and procedures, which are available to all employees at our companies, as well as Group-wide policies. All employees are covered by BHG's companies' systematic health and safety work, and continuing education is conducted according to plan and as needed. BHG takes its statutory health and safety responsibility for all of its own personnel and contract personnel. It also takes coordination responsibility for contractors in its operations. Since BHG operates companies in several different countries, it complies with the laws and regulations concerning work environment and health in the respective countries where its companies operate. Safety topics are included in both the Employee Policy and the Environmental Policy.

Since we have operations in several countries, our approach to health and safety varies across the Group. For our companies in Sweden, health and safety work includes the establishment of health and safety teams, health and safety policies and local safety officers. Responsibility and information related to health and safety are delegated locally, and incidents and near misses are reported to the immediate supervisor. If an employee wishes to report hazardous or poor working conditions, the following reporting channels are available: the immediate supervisor, an HR representative or the CEO, or the anonymous whistleblower function. Systematic health and safety work is organised to continually review risks, suggest actions and promote improvement of the physical and psychosocial work environment. Local health and safety work covers all of BHG's personnel, both employees and consultants. BHG's companies have company healthcare for support in prevention efforts. During the year, 31 minor work-related injuries were reported, which is equivalent to a rate of 1.1 injuries per 100,000 hours worked. All accidents are investigated according to applicable regulations, and preventive measures are taken to avoid similar accidents in the future.

The risks that have been identified include psychosocial health when working alone, which is a risk we have also taken measures to address. Aside from the risks we identified at the head office, we are aware that other occupational risks may arise in other parts of the operations, for example in our showrooms. The risks in stores are primarily related to assault and robbery, which require different procedures than the ones we have at our offices.

Health and safety are a priority area, and the objective is to have a healthy workplace. BHG's companies offer preventive healthcare subsidies and organise various preventive healthcare activities such as group exercise to encourage people to move. Along with preventive healthcare, the company offers rehabilitation to promote continued well-being.

DATA PROTECTION AND PROCESSING OF PERSONAL DATA

We place great emphasis on data protection and on protecting our customers' and our employees' privacy and personal data. We do not process credit card information, which is processed by third-party solutions instead.

BHG has steering documents and processes in place to ensure a high level of data protection and appropriate processing of personal data. In our Information Security Policy and CSR Policy, we undertake to ensure that personal data from our customers and employees is processed in a secure manner. Our GDPR handbook is also distributed to our companies, which are responsible for implementing and following up on the requirements in their own operations. As a result, the companies develop data security policies, train employees, strive to minimise the storage of personal data and conduct internal audits. The companies also regulate who has access to data and cooperate with their suppliers to provide guidance and information about data processing. BHG's work is followed up through annual IT audits and internal audits. Responsibility for GDPR, regulatory compliance and processes is handled by BHG's legal function. In 2024, we had 2 confirmed cases of a customer privacy breach. We had 0 confirmed cases of identified leaks, thefts or losses of customer data during the year.

REPORTING IN ACCORDANCE WITH THE EU TAXONOMY REGULATION

In 2021, BHG expanded its Sustainability Report to include reporting according to the EU Taxonomy. The EU Taxonomy can be briefly described as a classification system developed by the European Commission for what are counted as environmentally sustainable economic activities.

For a particular economic activity to be classified as environmentally sustainable, it must make a substantial contribution to one or more of the six established environmental objectives, do no significant harm the other objectives and comply with certain minimum safeguards in sustainability.

For 2021, large public interest entities with more than 500 employees reported whether their economic activities were Taxonomy-eligible according to the two environmental objectives of climate change mitigation and climate change adaptation. For 2022, companies were also required to report on alignment with these objectives, which BHG did. As of 2023, companies must report their eligibility in relation to the four new environmental objectives.

Reporting in accordance with the Taxonomy Regulation since 2023

In 2021, BHG set up a working group with both internal and external expertise. The group analysed the company's activities and to what degree they were eligible in accordance with the Taxonomy Regulation (contributing to environmental sustainability). At this stage, environmental objectives 1 and 2 were analysed.

In 2023, BHG analysed the four remaining environmental objectives and the updates to the Taxonomy.

The analysis resulted in the assessment that BHG does not have economics activities that are eligible in relation to the four new environmental objectives (objectives 3–6).

BHG has also adopted a stricter interpretation of environmental objective 1, Climate change adaptation, and assessed that BHG's activities connected to 4.16 Installation and operation of electric heat pumps and 7.3 Installation, maintenance and repair of energy efficiency equipment cannot be said with sufficient certainty to fulfil the DNSH (do no significant harm) requirements connected to Appendix C. Our interpretation is that the criteria in the Taxonomy connected to Appendix C that concern substances on the Candidate List do not permit substances that are permitted under legislation, and it cannot be said with sufficient certainty that this is fulfilled in the products that are installed.

As in previous years, BHG's interpretation is that only a limited amount of our activities are Taxonomy-eligible. This is described in detail below. According to BHG's interpretation of a manufacturing company based on the Taxonomy Regulation and its associated NACE codes, a manufacturing company is a company that owns the input products for the products that they manufacture. Based on this interpretation, BHG is not defined as a manufacturing company and thus the majority of BHG's economic activities are not eligible under the Taxonomy Regulation.

Heat pumps and solar cells are examples of products eligible under the Taxonomy Regulation that BHG's operating companies sell. However, since BHG, based on the above interpretation, only sells these products, its activities are not Taxonomy-eligible.

In addition, some of BHG's operating companies provide shipping services for transports of goods. BHG's operating companies also provide installation services in Sweden, Norway, Finland and Denmark that are Taxonomy-eligible. These installation services represent less than 1% of the company's turnover for the 2023 operating year. More information can be found in the table on page 46.

Installation services comprise installations of products including heat pumps. The installation services are linked to activity 4.16 Installation and operation of electric heat pumps. Activity 7.3 Installation, maintenance and repair of energy efficiency equipment is assessed against the criteria for substantial contributions "replacement of existing windows with new energy efficient windows". However, since BHG is adopting a very strict interpretation of the DNSH criteria until further notice, we have elected not to consider these activities to be Taxonomy-eligible.

Activities that are Taxonomy-eligible, make a substantial contribution and do no significant harm: proportion of BHG's CapEx and OpEx

During the year, BHG made investments (CapEx) that are Taxonomy-eligible, specifically investments to improve the energy efficiency of properties. These investments accounted for less than 5% of the company's CapEx and 0% of its OpEx in 2024. More information can be found in the table on page 47. The investments were linked to 7.3 Installation. BHG was not able to assess if its CapEx was Taxonomy-aligned due to lack of data. BHG will evaluate this assessment in the future.

BHG had no OpEx linked to the Taxonomy in 2024. More information can be found in the table on page 46.

Minimum safeguards
In 2022, BHG evaluated its compliance with minimum safeguards. BHG concluded that it complied with the criteria for minimum safeguards. BHG's governing documents, procedures and associated internal control processes lay the foundation for ensuring that BHG complies with the minimum social requirements defined in the Taxonomy, including tax, anti-corruption and fair competition. Read more about our work against corruption on page 36. In addition, BHG is committed to following the OECD Guidelines for Multinational Enterprises and to working in accordance with the UN's guiding principles for human rights. Read more about our work with human rights on page 37. It is BHG's assessment that BHG continued to comply with the criteria for minimum safeguards in 2024.

Reporting policies
The KPIs have been assessed and reported in accordance with the requirements set out in Article 8 of the EU Taxonomy. All eligible economic activities have been allocated to the environmental objective of climate change mitigation. BHG has not identified any activities connected to the environmental objective of climate change adaptation or to any of the four new environmental objectives. BHG has ensured that no double counting has occurred.

Total turnover was determined as Net Sales in the profit and loss statement. Revenue allocated to activity 4.16 was determined by assessing the proportion of Polarpumpen's revenue linked to the installation of electric heat pumps. Revenue allocated to activity 7.3 was determined by assessing the proportion of Bygghemma's revenue linked to the installation of windows.

Total CapEx was determined in accordance with Note 15 Tangible fixed assets.

OpEx was determined as expenses related to research and development, building renovation, short-term leases, and maintenance and repairs. BHG had no Taxonomy-eligible OpEx in 2024.

ABOUT THIS REPORT

This is BHG's annual sustainability report. The report has been prepared in accordance with Chapter 6, Sections 10–12 of the Swedish Annual Accounts Act and applies to the 1 January 2024 to 31 December 2024 financial year unless otherwise stated. It has also been prepared in reference to the 2021 GRI Standards. The goal of this report is to transparently describe BHG's sustainability strategy, targets and results.

Scope
This report covers the following companies: BHG Group AB (publ), Bygghemma Group Nordic AB, Bygghemma Sverige AB, Home Furnishing Nordic AB, BHG Group Finland Oy, IP-Agency Oy, Handelmark OÜ, Golvpoolen Arredo AB, Arc E-commerce AB, Hemfint i Kristianstad AB, Trendrum AB, Nordic Nest Group AB, Hafa Bathroom Group AB, HYMA Skog & Trädgård AB, Nordiska Fönster i Ängelholm AB, Lindström & Sondén AB, Camola Aps, Furniture 1 UAB, LampGallerian i Växjö AB, VVEX Group AB, Bygghjemme Norge AS, Polarpumpen AB and Sleepo AB, which represent 100% of the Group's sales. For a complete picture of the BHG Group, please refer to Note 15. BHG divested the Norwegian company Designkupp AS in 2024.

Employee data is calculated per employee and collected via the HR systems at our subsidiaries. Data pertaining to energy consumption and CO_2e emissions is primarily collected from invoices and suppliers and has been calculated according to the GHG Protocol with emission factors from AIB 2023, IEA 2023, DEFRA 2024, Energiföretagen 2022, Energimyndigheten 2023, Exiobase 3.9 2019 och NTM 2018. For electricity supplier-specific emission factors have been used to the greatest extent. Where supplier-specific emission factors have not been available, emissions factors from IEA 2023 have been used. When invoices or comprehensive information are not available, energy consumption has been calculated based on the previous year's consumption for the same period and/or through calculations based on total consumption and space used. In some cases, we excluded individual premises since we did not have access to their data, which means that we were unable to calculate estimates for these premises. This report has not been reviewed by any third party, but a statement about the report has been prepared pursuant to the Swedish Annual Accounts Act

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EU TAXONOMY TABLE

Turnover

Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution(8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation(11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy- aligned (A.1.) or - eligible (A.2.) turnover, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
	Financial year 2024			Substantial contribution criteria						DNSH criteria("Does Not Significantly Harm")									
		SEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which enabling			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**E**	
Of which transitional			-	-						-	-	-	-	-	-	-	-		**T**
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				**EL;N/EL**	**EL;N/EL**	**EL;N/EL**	**EL;N/EL**	**EL;N/EL**	**EL;N/EL**										
Installation, maintenance and repair of energy efficient equipment	CCM 7.3	26 847 401	0,07%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,07%		
Installation and operation of electric heat pumps	CCM 4.16	429 646	0,34%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,34%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**27 277 047**	**0,27%**	**100%**	-	-	-	-	-								**0,42%**		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		**27 277 047**	**0,27%**	**0,27%**	-	-	-	-	-								**0,42%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		9 935 228 883	**100%**																
Total		9 962 505 930	**100%**																

OpEx

	Financial year 2024			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution(8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation(11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy- aligned (A.1.) or -eligible (A.2.) turnover, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		SEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which enabling			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	E	
Of which transitional			-	-						-	-	-	-	-	-	-	-		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL;N /EL	EL;N /EL	EL;N /EL	EL;N /EL	EL;N /EL	EL;N /EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)				-	-	-	-	-	-								-		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)				-	-	-	-	-	-								-		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy- non-eligible activities																			
Total																			

CapEx

Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution(8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation(11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy- aligned (A.1.) or - eligible (A.2.) turnover, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
	Financial year 2024			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
		SEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which enabling			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**E**	
Of which transitional			-	-						-	-	-	-	-	-	-	-		**T**
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				**EL;N/EL**	**EL;N/EL**	**EL;N/EL**	**EL;N/EL**	**EL;N/EL**	**EL;N/EL**										
Installation, maintenance and repair of energy efficient equipment	CCM 7.3	153 087	0,8%	EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL								1,8%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**153 087**	**0,8%**	-	-	-	-	-	-								1,8%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		**153 087**	**0,8%**	-	-	-	-	-	-								1,8%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy- non-eligible activities		18 121 580	**99%**																
Total		18 274 667	**100%**																

Turnover

Proportion of turnover/Total turnover	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.00%	0.27%
CCA	-	-
WTR	-	-
CE	-	-
PPC	-	-
BIO	-	-

OpEx

Proportion of OpEx/Total OpEx	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	-	-
CCA	-	-
WTR	-	-
CE	-	-
PPC	-	-
BIO	-	-

CapEx

Proportion of CapEx/Total CapEx	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.00%	0.84%
CCA	-	-
WTR	-	-
CE	-	-
PPC	-	-
BIO	-	-

Nuclear and fossil gas related activities

Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

GRI CONTENT INDEX

General Disclosures

GRI content index	BHG Group AB (publ) has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.		
GRI standard 2021	**Disclosure**	**Location**	**Comment**
GRI 2: General Disclosures 2021	2-1 Organisational details	34	
	2-2 Entities included in the organisation's sustainability reporting	34, 44	
	2-3 Reporting period, frequency and contact point	44	
	2-4 Restatements of information	34	
	2-5 External assurance	115	
	2-6 Activities, value chain and other business relationships	34	
	2-7 Employees	41–42	
	2-8 Workers who are not employees	41	
	2-9 Governance structure and composition	54 - 58	
	2-10 Nomination and selection of the highest governance body	54 - 58	
	2-11 Chair of the highest governance body	60	
	2-12 Role of the highest governance body in overseeing the management of impacts	36	
	2-13 Delegation of responsibility for managing impacts	36	
	2-14 Role of the highest governance body in sustainability reporting	36	
	2-15 Conflicts of interest		We have identified a gap connected to this standard and will close the gap when transitioning to the CSRD, an ongoing process.
	2-16 Communication of critical concerns		We have identified a gap connected to this standard and will close the gap when transitioning to the CSRD, an ongoing process.
	2-17 Collective knowledge of the highest governance body		We have identified a gap connected to this standard and will close the gap when transitioning to the CSRD, an ongoing process.
	2-18 Evaluation of the performance of the highest governance body		We have identified a gap connected to this standard and will close the gap when transitioning to the CSRD, an ongoing process.
	2-19 Remuneration policies	55-57	
	2-20 Process to determine remuneration	55-57	
	2-21 Annual total compensation ratio		We have identified a gap connected to this standard and will close the gap when transitioning to the CSRD, an ongoing process.
	2-22 Statement on sustainable development strategy	10	
	2-23 Policy commitments	36-37	
	2-24 Embedding policy commitments	36-37	
	2-25 Processes to remediate negative impacts		We have identified a gap connected to this standard and will close the gap when transitioning to the CSRD, an ongoing process.
	2-26 Mechanisms for seeking advice and raising concerns	36	
	2-27 Compliance with laws and regulations	36	
	2-28 Membership associations		BHG does not participate in any membership associations.

GRI content index	BHG Group AB (publ) has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.		
GRI standard 2021	**Disclosure**	**Location**	**Comment**
	2-29 Approach to stakeholder engagement	34-35	
	2-30 Collective bargaining agreements	41	

Topic-specific disclosures

GRI standard	Disclosure	Location	Comment
Material topics			
GRI 3: Material topics 2021	3-1 Process to determine material topics	34	
	3-2 List of material topics	34	
Anti-corruption			
GRI 3: Material topics 2021	3-3 Management of material topics	36	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	36	
	205-2 Communication and training about anti-corruption policies and procedures	36	
	205-3 Confirmed incidents of corruption and actions taken	36	
Materials			
GRI 3: Material topics 2021	3-3 Management of material topics	36	
GRI 301: Materials 2016	301-1 Materials used by weight or volume		Material topic for our business, but no data is currently available. We will work on this in the future.
	301-2 Recycled input materials used		See above
	301-3 Reclaimed products and their packaging materials		See above
Energy			
GRI 3: Material topics 2021	3-3 Management of material topics	38	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	38	
Emissions			
GRI 3: Material topics 2021	3-3 Management of material topics	38	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	38	
	305-2 Energy indirect (Scope 2) GHG emissions	38	
	305-3 Other indirect (Scope 3) GHG emissions	38	
Waste			
GRI 3: Material topics 2021	3-3 Management of material topics	38	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts		Material topic for our business, but no data is currently available. We will work on this in the future.
	306-2 Management of significant waste-related impacts		See above
	306-3 Waste generated	38	
Supplier Environmental Assessment			
GRI 3: Material topics 2021	3-3 Management of material topics	36-37	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	37	
	308-2 Negative environmental impacts in the supply chain and actions taken		Material topic for our business, but no data is currently available. We will work on this in the future.
Employment			
GRI 3: Material topics 2021	3-3 Management of material topics	41-42	

GRI standard	Disclosure	Location	Comment
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	41	
Occupational Health and Safety			
GRI 3: Material topics 2021	3-3 Management of material topics	42	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	42	
	403-2 Hazard identification, risk assessment, and incident investigation	42	
	403-3 Occupational health services	42	
	403-4 Worker participation, consultation, and communication on occupational health and safety	42	
	403-5 Worker training on occupational health and safety	42	
	403-6 Promotion of worker health	42	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	42	
	403-9 Work-related injuries43	42	
Training and Education			
GRI 3: Material topics 2021	3-3 Management of material topics	41	
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	42	
Diversity and Equal Opportunity			
GRI 3: Material topics 2021	3-3 Management of material topics	41	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	42	
Non-discrimination			
GRI 3: Material topics 2021	3-3 Management of material topics	41	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	41	
Customer Health and Safety			
GRI 3: Material topics 2021	3-3 Management of material topics	37	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	37	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	37	
Customer Privacy			
GRI 3: Material topics 2021	3-3 Management of material topics	37	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	37	


>1.5
million products

Corporate governance report

- part of Directors' Report

CORPORATE GOVERNANCE REPORT

BHG Group AB (publ) ("BHG") is a Swedish public limited liability company listed on Nasdaq Stockholm. BHG's corporate governance is based on Swedish legislation, Nasdaq Stockholm's Rulebook for Issuers and good practice in the securities market. Since its listing, BHG has applied the Swedish Corporate Governance Code (the "Code"). The governance of BHG is also based on internal regulations, such as the Board's rules of procedures, CEO instructions, policy documents and the Group's Code of Conduct.

BHG does not deviate from the Code in any regard. More information about the Code is available at www.bolagsstyrning.se. BHG's Articles of Association and Code of Conduct are available at www.wearebhg.com.

Shares and shareholders

At the end of 2024, the total number of shares in BHG consisted of 179,233,563 ordinary shares with one vote each, distributed between approximately 12,176 shareholders. The company's two largest shareholders, Ferd (17.76%) and Entrust Global (12.8%), represented 30.56% of the shares. There were no limitations on how many votes each shareholder could cast at the General Meeting of Shareholders.

Further information regarding the ownership structure and share performance is available on page 26.

General Meeting of Shareholders

The General Meeting of Shareholders is the highest decision-making body. At a General Meeting, the shareholders exercise their voting rights on issues such as the adoption of income statements and balance sheets, appropriation of profit, discharge from liability for Board members and the CEO, election of Board members and auditors, and remuneration to Board members and auditors. The General Meeting also resolves on guidelines for remuneration to senior executives and any amendments to the Articles of Association.

An Annual General Meeting is to be held within six months after the end of each financial year. Besides the Annual General Meeting, BHG may convene Extraordinary General Meetings. According to the Articles of Association, General Meetings are to be convened through an announcement in the Swedish Official Gazette (Sw. Post- och Inrikes Tidningar) and by publishing the notice on the company's website. At the time of notice, an announcement that the notice has been issued is to be published in Svenska Dagbladet.

To participate in a General Meeting, a shareholder must be registered in the share register maintained by Euroclear Sweden AB not later than five weekdays prior to the meeting and notify BHG of its intention to participate (including any assistants) in the General Meeting not later than on the date set forth in the notice of the meeting. Shareholders may attend a General Meeting in person or by proxy and may also be accompanied by a maximum of two assistants. Shareholders can normally register for a General Meeting in several different ways, as stated in the notice of the General Meeting.

Shareholders who wish to have a matter addressed at the General Meeting must submit a written request to the Board. Normally, the request must have reached the Board not later than seven weeks prior to the General Meeting. The General Meeting may be held in Malmö or Stockholm.

General Meetings 2024

At an Extraordinary General Meeting on 2 April 2024:

- it was resolved that the Board is to consist of six Board members and no deputy Board members;
- it was resolved that remuneration to newly elected Board members is to be paid in an amount corresponding to the amount resolved on by the Annual General Meeting on 3 May 2023, pro rata for the number of months on the Board;
- Pernille Fabricius was elected as a Board member; and
- the Board's proposal regarding the transfer of shares in the subsidiaries Arc E-commerce AB and Hemfint Kristianstad AB was approved.

At the Annual General Meeting on 6 May 2024:

- the income statement and balance sheet as well as the consolidated income statement and balance sheet were adopted and it was resolved that profit would be appropriated in accordance with the proposal of the Board in the Annual Report, and that the Board and CEO would be discharged from liability;
- it was resolved that the Board is to consist of six Board members and no deputy Board members;
- it was resolved that remuneration is to be paid to the Board members and committee members as follows: SEK 600,000 to the Chairman of the Board, SEK 300,000 to other Board members, SEK 120,000 to the Chairman of the Audit Committee, SEK 60,000 to other members of the Audit Committee who are not employed by the company, SEK 60,000 to the Chairman of the Remuneration Committee and SEK 30,000 to other members of the Remuneration Committee who are not employed by the company;
- Christian Bubenheim, Joanna Hummel, Kristian Eikre, Mikael Olander, Negin Yeganegy and Pernille Fabricius were re-elected as Board members; Christian Bubenheim was re-elected as Chairman of the Board;
- Öhrlings PricewaterhouseCoopers AB was re-elected as auditor up until the end of the 2025 Annual General Meeting;
- the Board's proposal concerning principles for the establishment of a Nomination Committee was adopted;
- the Board's remuneration report was approved;
- the Board was authorised to decide on the issuance of new shares corresponding to a maximum of 20% of the shares outstanding after this mandate is exercised.

At an Extraordinary General Meeting on 18 December 2024:

- the Board's proposal regarding the transfer of shares in the subsidiary IP-Agency Finland Oy was approved.

Nomination Committee
The purpose of the Nomination Committee is to submit proposals in respect of the Chairman of General Meetings, Board members, including who should be Chairman of the Board, remuneration to each Board member as well as remuneration for committee work, election of and remuneration to the external auditors, and changes to the principles for the establishment of a Nomination Committee.

At the Annual General Meeting on 6 May 2024, it was resolved that the Nomination Committee prior to the 2024 Annual General Meeting is to comprise four members, one of whom should be the Chairman of the Board. Other members are to be appointed by the company's three largest shareholders in terms of votes, based on the share register maintained by Euroclear as of 31 August 2024. The Chairman of the Nomination Committee is to be the committee member representing the largest shareholder in terms of votes, unless the members agree to appoint another Chairman.

A shareholder who has appointed a member of the Nomination Committee has the right to dismiss the member and appoint a replacement. If a member leaves the Nomination Committee prior to completion of the committee's work, the shareholder who appointed the departing member has the right to appoint a new member of the Nomination Committee.

If there is a significant change in the company's ownership structure after 31 August 2024, the Nomination Committee has the right to independently decide to remove and/or appoint additional members so that the composition of the Nomination Committee will reflect the company's ownership structure.

No fees are paid to the members of the Nomination Committee. However, the Nomination Committee is entitled to charge BHG with reasonable expenses for recruitment consultants or other consultants required for the Nomination Committee to fully execute its assignment.
Shareholders are entitled to submit proposals to the Nomination Committee regarding nominations to the Board.

Ahead of the 2025 Annual General Meeting, the names of the members of the Nomination Committee are:

- Joakim Gjersø (Chairman), appointed by Ferd,
- Peter Iannicelli, appointed by Entrust Global,
- Eric Thysell, appointed by Mikael Olander, and
- Christian Bubenheim, in the capacity of Chairman of the Board.

In its work, the Nomination Committee applies rule 4.1 of the Code as its diversity policy. Additional information is available in the Nomination Committee's reasoned opinion regarding the Nomination Committee's proposal to the 2025 Annual General Meeting.

Board of Directors
The Board is the second highest decision-making body after the General Meeting. The Board is responsible for the management and organisation of BHG, which means that the Board is responsible for, among other tasks, establishing targets and strategies, ensuring that procedures and systems are in place for the evaluation of set targets, continuously evaluating BHG's earnings and financial position, and evaluating executive management. The Board is also responsible for ensuring that the Annual Report and interim reports are prepared on time. The Board also appoints the President and CEO.

Board members are normally elected by the Annual General Meeting for the period until the end of the next Annual General Meeting. According to BHG's Articles of Association, the Board, insofar as it is elected by the General Meeting, is to consist of at least three members and at most ten members with no deputy members.

In accordance with the Code, the Chairman of the Board is elected by the General Meeting and has a special responsibility for managing the Board's work and ensuring that the Board's work is well organised and effectively implemented. The Board follows written rules of procedure, which are revised annually and adopted by the statutory Board meeting every year. Among other matters, the rules of procedure govern Board practice, functions and the division of work between the Board members, the CEO and the established committees. In connection with the statutory Board meeting, the Board also establishes work instruction for the CEO, including instructions for financial reporting.

The Board meets according to an established annual schedule. In addition to these meetings, further meetings can be convened to address issues which cannot be postponed until the next scheduled Board meeting. In addition to Board meetings, the Chairman of the Board and the CEO continuously discuss the management of BHG.

The Board's work is evaluated annually through established procedures whereby all Board members answer questions about the results of the work of the Board and the committees. The Chairman of the Nomination Committee is responsible for the evaluation and, together with the Chairman of the Board, ensures that the results are presented and discussed in the Board and the Nomination Committee. The evaluation of the Board's work during the financial year was presented and discussed at the Board meeting on 12 December 2024.

During the financial year, the Board held 16 meetings. The Board members' independence and attendance are shown in the table on page 56.

Remuneration paid to the Board members is presented in Note 8.

The Board is presented in more detail on pages 60–61.

Audit Committee
The Audit Committee comprises three members: Pernille Fabricius (Chairman), Joanna Hummel and Negin Yeganegy.

The Audit Committee is mainly a preparatory body and prepares proposals for the Board. The Audit Committee works according to rules of procedure adopted by the Board. Its main duties are to, without prejudice to the general duties and responsibilities of the Board:

- monitor BHG's financial reporting,
- monitor the efficiency of BHG's internal control and risk management with regard to financial reporting,
- remain informed about the audit of the Annual Report and consolidated accounts,
- inform the Board of the results of the audit and of the manner in which the audit contributed to the reliability of

the financial reporting and the committee's specific functions,

- review and monitor the auditor's impartiality and independence and note, in particular, whether the auditor provides BHG with services other than audit services,
- approve the auditor's advisory services and adopt a policy for the auditor's advisory services,
- assist in the preparation of proposals for the General Meeting's decision regarding the election of an auditor,
- evaluate the need for an internal audit function each year, and
- assure the quality of the year-end report and interim reports prior to Board decisions.

During the year, the Audit Committee held six meetings.

Remuneration Committee

The Remuneration Committee comprises two members: Joanna Hummel (Chairman) and Christian Bubenheim.

The Remuneration Committee is mainly a preparatory body and prepares proposals for the Board. The Remuneration Committee works according to rules of procedure adopted by the Board.

The main duties of the Remuneration Committee are to:

- prepare the Board's decisions on matters related to the principles for remuneration, remuneration and other terms of employment for senior executives,
- monitor and evaluate programmes for variable remuneration to the company's senior executives, both ongoing and those concluded during the year, and
- monitor and assess the application of the guidelines for remuneration to senior executives approved by the Annual General Meeting and the applicable remuneration structures and levels in the company.

During the year, the Remuneration Committee held two meetings.

Board members' independence and attendance 1 January–31 December 2024

			Independent in relation to		Attendance		
Name	**Position**	**Member since**	**The company and its management**	**Major shareholders**	**Board meetings**	**Audit Committee**	**Remuneration Committee**
Christian Bubenheim	Chairman	2020	Yes	Yes	10/12	2/3	2/2
Joanna Hummel	Member	2022	Yes	Yes	12/12	6/6	0/0
Kristian Eikre	Member	2023	Yes	No	12/12	-	-
Mikael Olander	Member	2023	No	Yes	12/12	-	2/2
Negin Yeganegy	Member	2023	Yes	Yes	11/12	6/6	-
Pernille Fabricius	Member	2024	Yes	Yes	10/12	3/3	-

* Elected to the Remuneration Committee on May 5 2024, after this date the Remuneration Committee has not held any meetings. The attendance column shows attendance and number of meetings held during the time of the period the member has been a member.

CEO and senior executives

The CEO answers to the Board and is responsible for the continuous management of BHG and the day-to-day operations. The division of work between the Board and the CEO is set forth in the rules of procedure for the Board and the work instruction for the CEO. The CEO is also responsible for preparing reports and compiling information from management for Board meetings and for presenting such materials at Board meetings. According to the instructions for financial reporting, the CEO is responsible for the financial reporting of BHG and, accordingly, is to ensure that the Board receives adequate information to enable the Board to continuously evaluate BHG's financial position.

The CEO and other senior executives are presented on pages 62–63.

Auditors

The auditor is to review the company's Annual Report and accounting as well as the management of the Board and the CEO. Following each financial year, the auditor is to submit an audit report and a consolidated audit report to the Annual General Meeting.

In accordance with the Articles of Association, the company is to have one auditor or registered audit firm. The company's auditor is Öhrlings PricewaterhouseCoopers AB. Eric Salander serves as auditor in charge.

Appointment of the auditors for services other than auditing is carried out in accordance with the audit services policy established by the Audit Committee. According to BHG's assessment, the advisory services provided by Öhrlings PricewaterhouseCoopers AB during the year did not compromise the firm's independence.

The company's auditor participated in all of the Audit Committee's meetings and in one Board meeting. Information on full remuneration to the auditors is presented in Note 7.

Remuneration to Board members

Fees and other remuneration to Board members, including the Chairman, are decided at the Annual General Meeting. The Annual General Meeting on 6 May 2024 resolved that the following remuneration is to be paid for the period until the next Annual General Meeting: SEK 600,000 to the Chairman of the Board and SEK 300,000 to other Board members as well as SEK 120,000 to the Chairman of the

Audit Committee, SEK 60,000 to other members of the Audit Committee who are not employed by the company, SEK 60,000 to the Chairman of the Remuneration Committee and SEK 30,000 to other members of the Remuneration Committee who are not employed by the company.

Remuneration to the CEO and other senior executives

The Annual General Meeting on 5 May 2022 adopted guidelines for remuneration to senior executives. The guidelines stipulate that total remuneration is to be based on conditions that are market competitive and well balanced. In addition, the remuneration should promote the company's business strategy, long-term interests and sustainability. Remuneration to the senior executives is to consist of fixed and variable cash salary, pension benefits and other benefits. In addition, the General Meeting can resolve on share-based and share price-based remuneration.

The fixed cash salary is to be individual and based on the responsibility and role of the senior executive as well as the executive's competence and experience in the relevant position.

Variable cash remuneration to the CEO may amount to a maximum of 100% of the fixed annual cash salary. In extraordinary circumstances, the Board may decide to pay additional variable cash remuneration amounting to a maximum of 100% of the fixed annual cash salary. Variable cash remuneration is to be linked to predetermined and measurable financial or non-financial criteria designed to promote the company's business strategy and long-term interests.

The CEO's pension benefits are to be premium defined. Variable cash remuneration does not qualify for pension benefits. The pension premiums for premium-defined pensions are to amount to a maximum of 30% of the fixed annual cash salary. For other senior executives, pension benefits are to be premium-defined benefits unless the individual concerned is covered by a defined-benefit pension plan under mandatory collective agreement provisions. Variable cash remuneration is to qualify for pension benefits to the extent required by mandatory collective agreement provisions applicable to the senior executive concerned. The pension premiums for premium-defined pensions are to amount to a maximum of 30% of the fixed annual cash salary.

Other benefits may include, for example, occupational group life insurance, medical insurance and company car benefits. Premiums and other costs relating to such benefits may amount to a maximum of 30% of the fixed annual cash salary.

Upon termination of employment by the company, the notice period may not exceed 12 months. Fixed cash salary during the notice period and severance pay, combined, may not exceed an amount corresponding to the fixed cash salary for two years. Upon termination of employment by the senior executive, the notice period may not exceed nine months, without any right to severance pay.

For employment governed by rules other than Swedish rules, pension benefits and other benefits may be duly adjusted to ensure compliance with mandatory local rules or established local practice.

The Board may derogate from the guidelines if it is necessary to do so, in a specific case, in order to serve the company's long-term interests or to ensure the company's financial viability.

Control environment

The Board has overall responsibility for the internal control in relation to financial reporting. In order to create and maintain a functioning control environment, the Board has adopted a number of policies, guidelines and steering documents governing financial reporting.

These documents primarily comprise the rules of procedure for the Board, the work instruction for the CEO, instructions for financial reporting and instructions for the committees established by the Board. The Board has also adopted attestation instructions and a financial policy. The company also has a Financial Manual, which contains principles, guidelines and procedure descriptions for accounting and financial reporting.

In addition, the Board has adopted several IT-related policies where matters such as data recovery are addressed. Furthermore, the Board has established an Audit Committee whose main task is to monitor the financial reporting and the effectiveness of the internal control and risk management as well as to review and monitor the auditor's impartiality and independence.

Responsibility for the day-to-day work of maintaining the control environment rests primarily with the CEO, who on a regular basis reports to the Board in accordance with established work instruction. BHG's finance department plays an important role in ensuring that the financial reporting provides reliable information. It is responsible for ensuring that the financial information is complete, correct and published in a timely fashion.

Each local entity within the Group is organised with its own Board or equivalent governing body and, as applicable, CEO, with responsibility for control of the local business according to guidelines and instructions from Group level and the Board of the local entity. Each local entity has its own administration, which takes care of accounting records and financial reporting.

The local entities primarily report to their Boards, BHG's CEO, the relevant segment manager and BHG's CFO. In addition to internal monitoring and reporting, the external auditors routinely report to the CEO and the Board throughout the financial year.

Risk assessment and control activities

Risk assessment includes identifying and evaluating the risk of material errors in the accounting and reporting at Group level as well as in the subsidiaries. Risk assessment is carried out regularly and in accordance with established guidelines focusing on individual projects.

The Board is responsible for the internal control and for monitoring management. This is carried out through both internal and external control activities as well as through examination and monitoring of the policies and steering documents. Within the Board, the Audit Committee is primarily responsible for continuously assessing the risk situation, after which the Board performs an annual review of the risk situation.

BHG actively performs different control activities in order to identify, address and rectify risks in all parts of the organisation, and to ensure and improve internal control in the operations. As part of the work related to internal control and risk, the key risks are assessed, evaluated and compiled on a yearly basis. Each identified risk is assessed based on its probability and potential impact/effect on the operations. This work primarily concerns strategic and operational risks, but financial and legal risks as well as other key risks are also addressed. The company's most material risks are described on pages 28-29.

Uniform accounting and reporting instructions apply to all entities within the Group. The guidelines for internal control are followed up in all entities during the financial year. The local entities' financial performance is continuously monitored through monthly reporting, which focuses mainly on revenue, earnings and the order book. This reporting also includes legal and operational follow-up, with a focus on individual projects. Other key components of the internal control are the annual business planning process and budget and forecast processes.

Information and communication

BHG has information and communication channels to ensure the correctness of the financial reporting and to facilitate reporting and feedback from the operations to the Board and management, for example, by making corporate governance documents, such as internal policies, guidelines and instructions regarding financial reporting, available and known to the employees concerned. Financial reporting is carried out in a Group-wide system with pre-defined reporting templates.

BHG's financial reporting complies with Swedish laws and regulations and the local laws and regulations in each country where operations are conducted. Information to shareholders and other stakeholders is provided through the Annual Report, interim reports and press releases.

Monitoring

The compliance and effectiveness of the internal control are constantly monitored. The CEO ensures that the Board continuously receives reports on the performance of the operations, including developments related to earnings and financial position, as well as information regarding important issues and events. The CEO also reports on these matters at every scheduled Board meeting.

The Board and the Audit Committee examine the Annual Report and interim reports and conduct financial evaluations in accordance with an established plan and model. The Audit Committee monitors the financial reporting and other related matters and regularly discusses these matters with the auditors.

During the monitoring of the compliance and effectiveness of the internal control activities, the Board has found that these are, in all material respects, properly applied in the Group and determined that an internal control function, considering the format of the risk assessment and control activities, is the most effective method for monitoring the internal control. The Board has therefore decided not to establish a separate internal audit function.

657

million in cash flow from operations

BOARD OF DIRECTORS

CHRISTIAN BUBENHEIM
CHAIRMAN OF THE BOARD

Born 1965. Nationality: American and German

Christian Bubenheim was elected as a Board member of BHG in 2020, and he was appointed Chairman of the Board in August 2022. He is also CEO of foodspring.com and Chairman of the Board of 21future (not for profit) a.o. Christian is also engaged as advisor/investor and active as entrepreneur in Technology and Sustainability. Christian Bubenheim holds an MSc in economics and engineering from the Munich University of Applied Sciences. Throughout most of his career, he has held senior positions within e-commerce and technology, media and telecom, such as SM at Apple, GM Mobile at Compaq Computer, GM at Intel Mobile, VP/MD at Xircom, VP/MD at Magellan GPS, Div. GM Consumables & Prime at Amazon Germany, SVP at Scout24, and GM at Auto Scout24.

Christian Bubenheim owns, indirectly through company and privately, 36,700 shares in the company.

Independent in relation to major shareholders: Yes

KRISTIAN EIKRE
BOARD MEMBER

Born 1977. Nationality: Norwegian

Kristian Eikre was elected as a Board member of BHG in January 2023. He has an MSc in economics and business administration from NHH, the Norwegian School of Economics. He is the Co-Head of Ferd Capital, and he has worked at Ferd AS since 2015. Prior to that, he spent ten years with Herkules Capital (formerly Ferd Private Equity) and three years as a financial analyst at First Securities. Kristian is involved with several of Ferd's listed and private investments, including BHG, Fjord Line, Benchmark Holdings, Aibel and Boozt. Kristian is currently also a Board member of Fjord Line, Benchmark Holdings and Aibel.

Kristian Eikre owns no shares or warrants in BHG.

Kristian Eikre is independent in relation to the company and company management, but dependent in relation to major shareholders.

MIKAEL OLANDER
BOARD MEMBER

Born 1963. Nationality: Swedish

Mikael Olander was elected as a Board member of BHG in May 2023.

Mikael Olander holds an MBA from UCLA Anderson School of Management. Throughout most of his career, Mikael Olander has held senior positions within retail and e-commerce such as Business Area Manager at Egmont (1995–1999), Chief Executive Officer at CDON Group (2000–2011), Chief Executive Officer at BHG (2012–2019) and various other senior positions at BHG (2019–2023). He is currently a Board member of WeSports, Pölder Sport, Flowin, Icaniwill, and Bikelease Sweden.

Mikael Olander owns 8,921,686 shares in BHG indirectly through companies.

Independent in relation to major shareholders: Yes

PERNILLE FABRICIUS
BOARD MEMBER

Born 1966. Nationality: Danish

Pernille Fabricius was elected as a Board Member of BHG in 2024. Since 2020, she has been Chief Financial Officer of Org Group, London and a Board member and Chairman of the Audit Committee of MT Hoejgaard since 2014, GreenGo since 2020, Mer since 2022 and Basico since 2024.

She holds an MSc Aud and an MBA from Copenhagen Business School as well as an MSc in Finance and an LLM in European Union Law from the Leicester University. During her career, she has held senior positions in company management and finance, including Managing Director at John Guest Group (2016–2020), Group CFO at Getinge Group (2015–2016), Group CFO and Board member at Topaz Energy Marine (2014–2015), Global CFO at Damco Group (2012–2014), CEO at Tryghedsgruppen (2012), Group CFO and COO at TMF Group (2005–2012), CFO at GN Netcom (2001–2005), SVP at ISS Group (1994–2001) and auditor at Arthur Andersen (1988–1994). She has served also as a Board member and Chairman of the Audit Committee of Steelseries (2021–2022), Gabriel (2016–2022), Royal Greenland (2012–2021) and Netcompany (2017–2020).

Pernille Fabricius owns no shares and no warrants in the company.

Independent of major shareholders: Yes

JOANNA HUMMEL
BOARD MEMBER

Born 1975. Nationality: Swedish

Joanna Hummel was elected as a Board member of BHG in 2022. She is also a Board member of Eton AB, Apotea AB and Viva Wine Group AB (publ). Joanna Hummel has an MSc in business administration and economics from Stockholm University. For most of her career, she has held key positions in retail and accounting such as General Manager Northern Europe at Zalando SE (2021–2023), Managing Director of Afound (H & M Hennes & Mauritz AB) (2019–2021), Chief Executive Officer of Lyko Group AB (publ) (2017–2018), Axstores (Axel Johnson International AB) (2007–2017) primarily in a role as Chief Financial Officer at KICKS Kosmetikkedjan AB (2011–2017) and auditor at Ernst & Young Sweden AB (1998–2007).

Joanna Hummel owns 21,585 shares and no warrants in the company.

Independent in relation to major shareholders: Yes

NEGIN YEGANEGY
BOARD MEMBER

Born 1981. Nationality: British

Negin Yeganegy was elected as a Board member of BHG in May 2023.

Negin Yeganegy holds an MSc from University of London and an Executive MBA from London Business School. Throughout most of her career, Negin Yeganegy has held senior positions within online retail, digital strategy and technology management such as Digital and Commercial Advisor at Chloé (April–May 2020), Group E-commerce Director at Yoox Net-a-porter Group (2014–2020), Client Principal and Retail Lead at ThoughtWorks (2007–2014) and CEO of Perfect Moment (2020–2022). She is currently a non-executive Board member of Allbright Collective, co-founder of The StudioThree Group and Founding Partner at The Assembly Ventures.

Negin Yeganegy owns no shares in BHG.

Independent in relation to major shareholders: Yes

MANAGEMENT

GUSTAF ÖHRN
GROUP CEO

Born 1967. Employed since 2022. Nationality: Swedish

Previous experience: Gustaf Öhrn has spent the majority of his career as the CEO of retail companies and brands including Åhléns, Stadium and J.Lindeberg, and has held senior positions at H&M.

Education: Gustaf Öhrn has studied at Uppsala University and Stockholm University reaching an equivalent to a bachelor's degree in economics.

Board assignments: Chairman of the Board of Brav AS

Own and related party holdings: Gustaf Öhrn owns 10,000 shares in the company indirectly through companies, 3,000 shares in the company privately, 1,898,654 warrants in the company (privately and through companies).

BANK BERGSTRÖM
HEAD OF PREMIUM LIVING SEGMENT

Born 1984. Employed since 2022. Nationality: Swedish

Previous experience: Bank Bergström has been the CEO of BHG Group's subsidiary Nordic Nest since 2017. Bank previously worked at MediaMarkt, where he held various roles such as Sales Manager, Store Manager and Head of Sales Operations over seven years.

Education: Economics programme at Mälardalen University.

Board assignments: Board member of SignMax AB. Board member of Voyado.

Own and related party holdings: Bank Bergström owns 106,000 shares and 345,000 warrants in the company.

JOHAN ENGSTRÖM
HEAD OF VALUE HOME SEGMENT

Born in 1966. Employed since 2025.
Nationality: Swedish

Previous experience: Johan Engström was previously the CEO of LEKIA. Prior to that, he served as the CEO of Brafab and the CEO of BRIO Toys.

Education: MBA from Lund University

Direct or related person ownership: Johan Engström owns 7,505 shares in the company.

JESPER FLEMME
GROUP CFO

Born 1979. Employed since 2016.Nationality: Swedish

Previous experience: Jesper Flemme previously worked as Group Financial Controller at CDON Group (subsequently Qliro Group), and prior to that worked as a consultant at Addedo and within audit at Deloitte.

Education: Jesper Flemme holds an MSc in economics from Lund University.

Board assignments: Board member of J. Flemme Invest AB.

Own and related party holdings: Jesper Flemme owns 30,000 shares and 600,000 warrants in the company indirectly through companies.

MIKAEL HAGMAN
DEPUTY CEO AND HEAD OF HOME IMPROVEMENT SEGMENT

Born 1968. Employed since 2017. Nationality: Swedish

Previous experience: On 1 October 2022, Mikael Hagman moved from the role of COO and Head of the DIY segment to his current positions. He founded Vitvaruexperten.com in 2015 and has continued to successfully develop the business since the company was acquired by BHG in 2017. Prior to this, he was CEO of Media Markt Nordic (2007–2013) and Country Manager for Sony Sweden and Finland (1999–2006).

Education: IHM Business School.

Board assignments: Chairman of the Board of Mikael Hagman AB and Greasy Lake AB, and Board member of Wesports Scandinavia AB.

Own and related party holdings: Mikael Hagman owns 24,500 shares and 1,100,000 warrants in the company.

MARTIN LEO
GROUP CTO

Born 1974. Employed since 2022. Nationality: Swedish

Previous experience: Martin Leo has extensive experience from various senior management positions and leading international strategic initiatives. Throughout his professional life, he has been involved in solution development and business transformation, starting his career as a consultant with Accenture in Stockholm and Sydney.

Education: MSc in business administration and technology management from LTH, Faculty of Engineering, Lund University

Board assignments: Chairman of the Board of Consistent AB.

Own and related party holdings: Martin Leo owns 80,000 shares indirectly through companies and 250,000 warrants privately.

>9.9

billion in net sales

Financial statements

Consolidated income statement

(SEKm)	Note	01/01/2024 31/12/2024	01/01/2023 31/12/2023
Operating income			
Net sales	4	9,962.5	11,790.2
Other operating income	10	32.7	20.6
		9,995.2	**11,810.9**
Operating expenses			
Cost of goods sold	17	-7,537.4	-8,869.2
Personnel costs	8, 9	-861.1	-1,067.1
Other external costs and operating expenses	7, 28	-1,121.3	-1,354.7
Other operating expenses	10	-15.3	-1,196.4
Depreciation and amortization of tangible and intangible fixed assets	14, 15	-903.0	-697.7
		-10,438.1	**-13,185.1**
Operating income		**-442.9**	**-1,374.2**
Financial items			
Financial income	11	18.6	29.0
Financial expenses	11, 22	-212.5	-248.2
		-193.9	**-219.1**
Profit/loss before tax		**-636.8**	**-1,593.3**
Tax			
Income tax	12	-3.3	50.9
PROFIT/LOSS FOR THE YEAR		**-640.1**	**-1,542.5**
Attributable to:			
Equity holders of the parent		-678.8	-1,564.7
Non-controlling interest		38.7	22.2
PROFIT/LOSS FOR THE YEAR		**-640.1**	**-1,542.5**
Earingings per share before dilution, (SEK)	13	-3.79	-8.73
Earingings per share after dilution, (SEK)	13	-3.79	-8.73

Consolidated statement of comprehensive income

(SEKm)	Note	01/01/2024 31/12/2024	01/01/2023 31/12/2023
Profit/loss for the year		-640.1	-1,542.5
Other comprehensive income			
Items that subsequently could be reclassified to profit or loss			
Translation differences for the year		36.7	-74.5
	13, 20	**36.7**	**-74.5**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**-603.4**	**-1,617.0**
Attributable to:			
Parent company shareholders		-647.8	-1,644.5
Non-controlling interest		44.3	27.6
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**-603.4**	**-1,617.0**

Consolidated statement of financial position

(SEKm)	Note	31/12/2024	31/12/2023
ASSETS			
Non-current assets			
Intangible fixed assets	14		
Development expenses		282.2	275.0
Trademarks		1,629.1	1,640.7
Customer relationships		427.4	517.8
Goodwill		5,641.1	5,899.7
Other intangible fixed assets		1.1	3.3
		7,980.9	**8,336.5**
Tangible fixed assets	15		
Equipment		55.9	73.1
Leased fixed assets		555.6	615.0
Buildings and land		20.3	20.8
Leasehold improvements		32.3	51.5
		664.2	**760.4**
Financial fixed assets			
Other financial fixed assets		9.2	8.9
Long term receivables interest-bearing		7.7	7.4
		16.9	**16.4**
Deferred tax asset	12	76.1	92.3
Total fixed assets		**8,738.1**	**9,205.6**
Current assets			
Inventories	17		
Finished goods andmerchandise		1,063.1	1,286.8
Advances to suppliers		39.5	26.1
		1,102.6	**1,312.9**
Short term receivables			
Accounts receivable	18	152.2	199.9
Other current receivables,non-interest-bearing		108.4	107.4
Prepaid expenses and accrued income	19	236.2	227.4
		496.8	**534.6**
Cash and cash equivalents	28	451.3	370.3
		451.3	**370.3**
Assets held for sale	6	106.0	-
		106.0	**-**
Total current assets		**2,156.6**	**2,217.8**
TOTAL ASSETS		**10,894.7**	**11,423.3**

(SEKm)	Note	31/12/2024	31/12/2023
EQUITY AND LIABILITIES			
Equity	20		
Equity attributable to owners of the parent			
Share capital		5.4	5.4
Other capital contributions		6,563.5	6,563.5
Reserves		76.3	45.2
Retained earnings incl. profit for the year		-856.1	-271.5
		5,789.0	**6,342.6**
Non-controlling interest			
Non-controlling interest		195.8	167.4
Total equity		**5,984.8**	**6,510.0**
Non-current liabilities	28		
Interest-bearing			
Liabilities to credit institutions	22	1,496.2	1,495.5
Non-current lease liabilities	29	374.3	427.4
Acquistion related interest-bearing liabilities	25, 28	198.6	325.3
Other non-current interest-bearing liabilities		172.1	-
		2,241.3	**2,248.2**
Non-interest-bearing			
Deferred tax liability	12	450.0	479.0
Other provisions	24	29.0	28.0
		479.0	**506.9**
Long term liabilities		**2,720.3**	**2,755.1**
Current liabilities	28		
Interest-bearing			
Current lease liabilities	29	233.1	259.7
Acquistion related interest-bearing liabilities	25, 28	149.4	48.9
Other current interest-bearing liabilities		85.0	258.2
		467.5	**566.8**
Non-interest-bearing			
Advance from customers		141.3	91.7
Accounts payable		893.8	921.1
Tax liabilities		-	17.0
Other liabilities		290.4	259.2
Accrued expenses and prepaid income	26	348.2	302.3
Liabilities directly associated with assets held for sale	6	48.5	-
		1,722.1	**1,591.4**
Total current liabilities		**2,189.6**	**2,158.2**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**10,894.7**	**11,423.3**

For information concerning pledged assets and contingent liabilities, see Note 27.

Consolidated statement of changes in equity

(SEKm)	Note	Share capital	Other capital contributions	Translations reserve	Retained earnings incl. Profit/loss for the year	Total	Non-controlling interest	Total equity
		Equity attributable to the parent company´s shareholders						
Opening balance, 1 January 2023		**5.4**	**6,564.2**	**125.1**	**919.2**	**7,613.8**	**56.0**	**7,669.8**
Comprehensive income for the year								
Profit/loss for the year		-	-	-	-1,564.7	-1,564.7	22.2	-1,542.5
Other comprehensive income		-	-	-79.8	-	-79.8	5.3	-74.5
		-	**-**	**-79.8**	**-1,564.7**	**-1,644.5**	**27.6**	**-1,617.0**
Transactions with owners								
New share issue *		-	-0.7	-	-	-0.7	-	-0.7
Warrants	8	-	-	-	8.5	8.5	-	8.5
Remeasurement of liabilities to non-controlling interest	25	-	-	-	444.8	444.8	-	444.8
Dividends to non-controlling interests		-	-	-	-	-	-24.6	-24.6
Transactions with non-controlling interest		-	-	-	-79.2	-79.2	108.5	29.3
		-	**-0.7**	**-**	**374.0**	**373.3**	**83.9**	**457.2**
Closing balance, 31 December 2023		**5.4**	**6,563.5**	**45.2**	**-271.5**	**6,342.6**	**167.4**	**6,510.0**
Comprehensive income for the year								
Profit/loss for the year		-	-	-	-678.8	-678.8	38.7	-640.1
Other comprehensive income		-	-	31.0	-	31.0	5.6	36.7
		-	**-**	**31.0**	**-678.8**	**-647.8**	**44.3**	**-603.4**
Transactions with owners								
Warrants	8	-	-	-	1.5	1.5	-	1.5
Remeasurement of liabilities to non-controlling interest	25	-	-	-	34.8	34.8	-	34.8
Dividends to non-controlling interests		-	-	-	-1.3	-1.3	-16.0	-17.2
Transactions with non-controlling interest	5	-	-	-	59.1	59.1	-	59.1
		-	**-**	**-**	**94.2**	**94.2**	**-16.0**	**78.2**
Closing balance, 31 December 2024		**5.4**	**6,563.5**	**76.3**	**-856.1**	**5,789.0**	**195.8**	**5,984.8**

* Refers to transaction costs of SEK 0.9 million and a tax effect of SEK -0.2 million attributed to the new share issue carried out at the end of 2022. At the beginning of 2023, the Group received payment for the issue of SEK 81.4 million before deduction for transaction costs

Consolidated statement of cash flows

(SEKm)	Note	01/01/2024 31/12/2024	01/01/2023 31/12/2023
Operating operations			
Profit before tax		-636.8	-1,593.3
Reversal of financial net		161.1	195.1
Adjustments for non-cash items	30	905.2	1,725.7
Income tax paid		-32.4	-46.1
		397.1	**281.4**
Cash flow from changes in working capital			
Increase (-)/decrease (+) in inventories		173.2	1,101.1
Increase (-)/decrease (+) in other current receivables		29.1	35.4
Increase (+)/decrease (-) in accounts payable		-28.1	10.9
Increase (+)/decrease (-) in other current liabilities		85.9	121.4
		260.1	**1,268.8**
Cash flow from operating activities		**657.2**	**1,550.2**
Investing activities			
Investment in operations	5	-49.9	-467.1
Divestment of operations		74.9	-32.8
Investments in tangible fixed assets	15	-18.7	-37.8
Divestment of tangible fixed assets	15	11.3	3.4
Investments in intangible fixed assets	14	-116.3	-147.0
Divestment of intangible fixed assets	14	1.3	-
Investments in financial fixed assets		-0.0	0.4
Divestment of financial fixed assets		-	0.1
Received interest		19.9	26.3
Cash flow from/ to investing activities		**-77.6**	**-654.4**
Financing activities			
New share issue		-	80.7
Issue of warrants		-	5.2
Transactions with non-controlling interest		0.0	28.4
Dividend to non-controlling interest		-17.2	-24.6
Loans raised	28, 31	500.0	-
Amortization of loans	28, 31	-500.0	-503.1
Amortization of lease liabilities	29	-284.9	-353.6
Interest paid		-175.2	-203.9
Cash flow to/from financing activities		**-477.4**	**-970.9**
Cash flow		**102.2**	**-75.0**
Cash and cash equivalents at the beginning of the year		**370.3**	**477.6**
Translation differences in cash and cash equivalents		0.6	-32.3
Cash and cash equivalents at the end of the year*	**31**	**473.0**	**370.3**

Parent Company income statement

(SEKm)	Note	01/01/2024 31/12/2024	01/01/2023 31/12/2023
Operating income			
Net sales	4	11.3	7.9
		11.3	**7.9**
Operating expenses			
Personnel costs	8, 9	-49.2	-58.0
Other external costs and operating expenses	7, 29	-22.5	-29.4
Depreciation and amortization of tangible and intangible fixed assets	14, 15	-0.2	-0.3
		-71.9	**-87.7**
Operating income		**-60.6**	**-79.8**
Financial items			
Financial income	11	91.5	90.8
Financial expenses	11, 22	-161.1	-183.4
		-69.6	**-92.6**
Profit/loss after financial items		**-130.1**	**-172.4**
Appropriations			
Changes in tax allocation reserve	21	-	20.0
Group contributions received		45.0	90.0
		45.0	**110.0**
Profit/loss before tax		**-85.1**	**-62.4**
Tax			
Income tax	12	2.9	-6.5
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**-82.3**	**-68.9**

Comprehensive income for the year corresponds to net profit for both the current financial year and the comparative year.

Parent Company balance sheet

(SEKm)	Note	31/12/2024	31/12/2023
ASSETS			
Non-current assets			
Intangible fixed assets	14		
Development expenses		0.3	0.5
Other intangible fixed assets		0.0	0.0
		0.3	**0.5**
Financial fixed assets			
Participations in Group companies	16	3,678.3	3,678.3
Receivables in Group companies		4,764.5	4,805.5
Long term receivables interest-bearing		7.7	7.4
		8,450.5	**8,491.2**
Deferred tax assets	12	0.2	0.0
Total fixed assets		**8,450.9**	**8,491.7**
Current assets			
Short term receivables			
Long term receivables interest-bearing		125.7	104.9
Other receivables		4.3	2.9
Prepaid expenses and accrued income	19	1.4	2.0
		131.4	**109.8**
Cash and cash equivalents	28		
Cash and cash equivalents		2.8	42.5
		2.8	**42.5**
Total current assets		**134.2**	**152.2**
TOTAL ASSETS		**8,585.1**	**8,644.0**

(SEKm)	Note	31/12/2024	31/12/2023
EQUITY AND LIABILITIES			
Equity	20		
Restricted equtiy			
Share capital		5.4	5.4
		5.4	**5.4**
Unrestricted equtiy			
Share premium reserve		6,563.5	6,563.5
Retained earnings		83.5	151.1
Profit/loss for the year		-82.3	-68.9
		6,564.7	**6,645.7**
Total equity		**6,570.1**	**6,651.0**
Non-current liabilities	22		
Liabilities to credit institutions		1,496.2	1,495.5
Liabilities to Group companies		450.0	450.0
Other non-current interest-bearing liabilities		9.1	-
Total non-current liabilities		**1,955.3**	**1,945.5**
Current liabilities			
Other provisions		1.0	0.2
Accounts payable		0.9	7.7
Liabilities to Group companies		6.7	3.1
Other liabilties		1.1	0.7
Accrued expenses and prepaid income	26	45.4	21.9
Other current interest-bearing liabilities		4.6	13.7
Total current liabilities		**59.7**	**47.4**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITY		**8,585.1**	**8,644.0**

Parent Company statement of changes in equity

(SEKm)	Note	Restricted equity	Unrestricted equity			
		Share capital	Share premium reserve	Retained earnings	Profit/loss for the year	Total equity
Opening balance, 1 January 2023		**5.4**	**6,564.2**	**144.8**	**5.7**	**6,720.0**
Comprehensive income for the year						
Appropriation of profits according to decision on annual general meeting		-	-	5.7	-5.7	-
Profit/loss for the year		-	-	-	-68.9	-68.9
		-	**-**	**5.7**	**-74.6**	**-68.9**
Transactions with owners						
New share issue		-	-0.7	-	-	-0.7
Contributions from and value transfers from Group owners						
Warrants	8	-	-	0.7	-	0.7
		-	**-0.7**	**0.7**	**-**	**-0.1**
Closing balance, 31 December 2023		**5.4**	**6,563.5**	**151.1**	**-68.9**	**6,651.0**
Comprehensive income for the year						
Appropriation of profits according to decision on annual general meeting		-	-	-68.9	68.9	-
Profit/loss for the year		-	-	-	-82.3	-82.3
		-	**-**	**-68.9**	**-13.4**	**-82.3**
Contributions from and value transfers from Group owners						
Warrants	8	-	-	1.3	-	1.3
		-	**-**	**1.3**	**-**	**1.3**
Closing balance, 31 December 2024		**5.4**	**6,563.5**	**83.5**	**-82.3**	**6,570.1**

Parent Company statement of cash flows

(SEKm)	Note	01/01/2024 31/12/2024	01/01/2023 31/12/2023
Operating operations			
Profit before tax		-85.1	-62.4
Reversal of financial net		58.1	89.7
Adjustments for non-cash items	30	-30.7	-104.9
Income tax paid		-0.9	18.0
		-58.6	**-59.5**
Cash flow from changes in working capital			
Increase (-)/decrease (+) in other current receivables		-22.2	50.1
Increase (+)/decrease (-) in accounts payable		-6.8	3.3
Increase (+)/decrease (-) in other current liabilities		10.0	456.5
		-19.1	**509.9**
Cash flow from operating activities		**-77.7**	**450.4**
Investing activities			
Received interest		91.5	90.8
Cash flow from/ to investing activities		**91.5**	**90.8**
Financing activities			
New share issue		-	80.7
Loans raised	28, 31	500.0	-
Amortization of loans		-500.0	-500.0
Group contributions received		90.0	75.0
Interest paid		-143.8	-162.9
Cash flow to/from financing activities		**-53.8**	**-507.2**
Cash flow		**-39.9**	**33.9**
Cash and cash equivalents at the beginning of the year		**42.5**	**8.9**
Translation differences in cash and cash equivalents		0.3	-0.4
Cash and cash equivalents at the end of the year		**2.8**	**42.5**

Notes

Notes

NOTE 1 GENERAL INFORMATION

BHG is one of the largest consumer e-commerce companies in the Nordics. In addition to our Nordic operations, we also have a significant presence in the rest of Europe, as well as in selected markets outside of Europe.

Our strong position in these markets makes us one of the largest online European pure-plays in our three segments: Home Improvement, Value Home, and Premium Living. The Group includes over 100 online destinations, such as www.bygghemma.se, www.nordicnest.se, www.svenssons.se and www.trademax.se. We offer the leading range of well-known external and proprietary brands in the market. There is a total of approximately 1.5 million products in the Group, which together with our other offering adds up to a complete offering, primarily in DIY, furniture and home furnishing.

The Home Improvement segment operates almost exclusively in the Nordic market, and is mainly based on a drop shipping model with a low level of tied-up capital, featuring a broad product range and price matching. The segment mainly comprises brands such as Bygghemma, Taloon, Golvpoolen, Nordiska Fönster, Hafa and Hylte Jakt & Trädgård.

The Value Home segment operates primarily in the Nordic and Eastern European markets. It is a value-driven model that focuses on offering competitive prices, enabled by private label products. The segment mainly comprises brands such as Trademax, Chilli and Hemfint.

The Premium Living segment commands a premium position that is primarily based on stock keeping of external brands in order to internationalise Scandinavian design within furniture and home furnishings. The segment primarily comprises the brands Nordic Nest, Svenssons and Sleepo.

BHG Group AB (publ) has been listed on Nasdaq Stockholm (Mid Cap) since 27 March 2018. For information about the company's owners, see the section "The share." This annual report was approved for publication by the Board of Directors and the CEO on 10 April 2025. The consolidated income statement, statement of comprehensive income and statement of financial position and the Parent Company income statement and balance sheet will be submitted for adoption by the Annual General Meeting on 6 May 2025.

NOTE 2 ACCOUNTING AND MEASUREMENT POLICIES

2.1 Compliance with standards and legislation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) along with interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as endorsed by the European Commission for application in the EU. Recommendation RFR 1 *Supplementary Accounting Rules for Groups* from the Swedish Corporate Reporting Board has also been applied in the preparation of these consolidated financial statements.

The Parent Company applies the same accounting policies as the Group except in the cases specified below under the section "Parent Company accounting policies."

The Parent Company's functional currency is Swedish kronor (SEK), which also constitutes the reporting currency for the Parent Company and the Group. This means that the financial statements are presented in SEK. All amounts, unless otherwise stated, are rounded to the nearest million. The accounting policies stated below have been applied consistently to all periods presented in the consolidated financial statements.

2.1.1 Disclosures concerning IFRS and interpretations that became effective in 2024

The IASB has made amendments to IAS 1 *Presentation of Financial Statements* regarding the classification of liabilities with covenants as current or non-current in the statement of financial position. The IASB has clarified that only covenants with which an entity is required to comply on or before the balance-sheet date affect the classification of a liability as current or non-current. This in itself does not entail any changes compared with the existing IAS 1 requirements, nor have the amendments changed the way BHG classifies its existing liabilities that are subject to covenants. Instead, the IASB's amendments require a company to disclose the conditions and information about the covenants, see Note 28. The amendments came into effect on 1 January 2024, and have been adopted by the EU.

The IASB introduced new disclosure requirements in IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* on arrangements for supply chain financing. The Group has such an arrangement, and disclosures on this arrangement under the new requirements of IAS 7 and IFRS 7 are provided in Note 28. The amendments came into effect on 1 January 2024, and have been adopted by the EU.
No other amendments to IFRS or IFRIC interpretations that came into effect in 2024 had a material impact on the consolidated financial statements.

2.1.2 New IFRS that have not yet been applied

The IASB has issued a new standard for the presentation of financial statements in the form of IFRS 18 *Presentation and Disclosure in Financial Statements*. The standard is applicable from 1 January 2027, which means that the Group's first financial report under IFRS 18 will be the interim report for the first quarter of 2027. The 2026 comparative year will then be restated according to IFRS 18. However, the standard has not yet been adopted by the EU. IFRS 18 mainly changes three key areas: the structure of the statement of profit or loss, the introduction of disclosures on management-defined performance measures (MPMs), and guidance on when items should be aggregated or disclosed separately in the financial statements or notes.

IFRS 18 requires that the statement of profit or loss be divided into new categories of operating activities, investing activities and financing activities. It also introduces requirements for certain new subtotals. There is also a requirement that performance measures that meet the definition of an MPM must be disclosed in a note to the financial statements.

In 2025, BHG will further analyse the impact of IFRS 18 on the consolidated financial statements. However, some effects are already known, such as that changes in the fair value of contingent considerations under IFRS 18 must be recognised in operations instead of being included in financial items in accordance with the Group's current accounting policies, and that some of the Group's existing performance measures meet the definition of an MPM and the Group will therefore need to disclose these in the notes.

The IASB has also made amendments to IFRS 9 *Financial Instruments* regarding when financial liabilities (such as accounts payable) should be derecognised when they are settled through an electronic transfer. The amendments clarify that, as a general principle, a financial liability may only be derecognised on the settlement date, meaning when the cash has reached the recipient. However, an exemption to the general rule has been introduced which allows for earlier derecognition of a liability than on the settlement date, provided that certain conditions are met. The decision to apply the exemption is made individually for each electronic payment system. The amendments will come into effect on 1 January 2026, but have not yet been adopted by the EU. In 2025, BHG will conduct an analysis of the payment systems in place within the Group to determine the extent to which the amendments to IFRS 9 affect the way the Group derecognises accounts payable and other financial liabilities.

None of the other IFRS or IFRIC interpretations that have yet to come into effect are expected to have any material impact on the consolidated financial statements.

None of the new or amended IFRS or IFRIC interpretations that will come into effect in the coming financial year were applied in advance when preparing the financial statements. The Group does not plan to apply introductions or changes with future application in advance.

2.2 Operating segment reporting

BHG Group's operations are divided into three operating segments:

- Home Improvement. Comprises sites targeted at Nordic DIY customers, such as Bygghemma, Taloon, Golvpoolen, Nordiska Fönster, Outlet1, Hafa and Hylte Jakt & Trädgård.
- Value Home. Comprises sites with assortments for the home targeted at price-conscious European customers, such as Trademax, Chilli, Furniture 1, Furniturebox, Hemfint, Arc E-Commerce and Trendrum.
- Premium Living. Comprises sites with assortments of premium products within Scandinavian design, such as Nordic Nest, KitchenTime and Svenssons i Lammhult.

2.3 Consolidation policies and business combinations

2.3.1 Business combinations

Subsidiaries are recognised in accordance with the purchase method of accounting. Transaction fees that arise, except for transaction fees attributable to issues of equity instruments or debt instruments, are recognised directly in profit or loss.

When an acquisition does not involve 100% of the subsidiary, a non-controlling interest arises. In acquisitions where shareholders with non-controlling interests have the option to sell the holding to the Group at some point in the future, the Group does not recognise any non-controlling interests because the liability recognised for the option issued (see section 2.3.3 below) is recognised against non-controlling interests in equity at the time of acquisition. There are two alternative methods for recognising non-controlling interests. These two alternatives are recognising the non-controlling interest's proportionate share of net assets or recognising the non-controlling interest at fair value, which means that the non-controlling interest has a share of goodwill. The Group recognises the non-controlling interests' proportionate share of net assets.

2.3.2 Acquisitions of and sales to and from non-controlling interests

Acquisitions of non-controlling interests are recognised as a transaction of equity, meaning between the owner of the Parent Company (within retained earnings) and the non-controlling interest. This is the reason why goodwill does not arise in these transactions. The change in non-controlling interests is based on their proportionate share of net assets.

In a corresponding manner, sales to non-controlling interests are recognised as a transaction of equity, provided that BHG Group does not lose control of the operations as a result of the sale.

2.3.3 Put options and call options on acquiring non-controlling interests

In connection with acquisitions, the Group has issued options to non-controlling interests that entitle the non-controlling interests to require the Group to purchase their holdings at some point in the future. In certain cases, the Group also holds call options that entitle BHG to purchase the non-controlling interest at some point in the future. Put options issued to non-controlling interests give rise to a financial liability, which is measured at the discounted present value of the estimated future strike amount. The value of the liability reduces the equity of non-controlling interests in the Group when the shares are considered to be acquired. Accordingly, the Group does not recognise non-controlling interests for these entities in subsequent periods and their profit/loss is attributed in its entirety to Parent Company shareholders. Any remeasurements are recognised directly in equity.

Despite this, dividends paid to non-controlling interests for which the holdings are derecognised in accordance with the above are recognised as "Dividends to non-controlling interests" in the consolidated statement of changes in equity. In such cases, the dividends are recognised against equity attributable to Parent Company shareholders.

2.4 Revenue from sale of goods

Revenue from the sale of goods via e-commerce platforms and showrooms is recognised at a point in time, usually when the goods have been submitted to a third-party logistics company since control over the goods is transferred at this point. Revenue is recognised after deducting value added tax, discounts and the expected return rate. The majority of total sales are made to consumers who, depending on the country, usually have a right of withdrawal for distance shopping. At the same time as a deduction is made from the revenue for expected returns of goods, a deduction is also made from the cost of goods sold corresponding to the cost of the goods expected to be returned. The revenue reduction for the expected return rate is recognised as a liability for returns under "Accrued expenses and deferred income" in the statement of financial position, while a return asset that reflects the right to receive the returned goods is recognised under "Prepaid expenses and accrued income." The Group reassesses its estimate of expected returns on each balance-sheet date and updates the amount of the asset and the liability accordingly.

2.5 Leases

The Group primarily leases storage, office and retail premises.

For the majority of the Group's leases, the incremental borrowing rate is used to measure the lease liability since, in many cases, the rate implicit in the lease cannot easily be determined. The incremental borrowing rate reflects the Group's credit risk as well as each lease's term, currency and the quality of the underlying asset to be pledged. The interest rate is determined based on officially published swap curves of each currency to which is added a margin that reflects the Group's credit rating and quality of the underlying asset to be pledged. Lease payments include:

a) fixed payments (including in-substance fixed payments), less any lease incentives,
b) variable lease payments that depend on an index or a rate,
c) amounts expected to be payable by the Group under residual value guarantees,
d) the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
e) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

If the Group is reasonably certain that it will exercise an extension option, the lease payments for this extension period are included in the measurement of the liability. When making this assessment, the Group also considers whether significant improvements have been made to the leased properties.

For leases with several components – lease and non-lease components – the Group allocates the consideration according to the lease for each component based on the stand-alone price. Non-lease components are not included in lease payments. The Group's sales-based lease payments are limited in scope. They are not based on an index or price and are therefore not included in the lease liability. Sales-based lease payments are expensed during the relevant period.

At the commencement date, the right-of-use asset is measured at cost comprising:

a) the amount of the initial measurement of the lease liability,
b) any lease payments made at or before the commencement date less any lease incentives received,
c) any initial direct costs, and
d) costs for dismantling and removing the underlying asset.

The lease liability for the Group's premises with index-dependent rent is calculated based on the rent at the end of each reporting period. The right-of-use asset's carrying amount is also adjusted by an equivalent amount. The value of the liability and the asset are adjusted similarly in connection with reassessment of the lease term. This takes places in connection with the most recent termination date before the previously assessed lease term for the lease passing or when significant events occur or situations change outside the Group's control and affects the current assessment of the lease term.

Payments for low-value leases and for short-term leases are expensed on a straight-line basis over the term of the lease. Low-value leases are assets with a value of SEK 50 thousand or less in new condition, and short-term leases have a term of no more than 12 months from the commencement date.

2.6 Financial income and expenses

Financial income comprises interest income on invested funds and is recognised in profit or loss applying the effective interest method.

Financial expenses consist of interest expenses on loans and interest rates on lease liabilities. Borrowing costs are recognised in profit or loss applying the effective interest method.

Exchange rate gains and losses are recognised on a net basis in operating income for operational activities and on a financial basis for financial items.

Gains and losses arising from a change in the fair value of contingent considerations are recognised among financial items.

2.7 Taxes

Income tax comprises current tax and deferred tax. Income tax is recognised in profit or loss, except when the underlying transaction is recognised in other comprehensive income or in equity, in which case the associated tax effect is also recognised in other comprehensive income or in equity.

Potential additional income tax related to dividends is recognised at the same time as the dividend is recognised as a liability.

2.8 Financial instruments

Financial instruments recognised in the statement of financial position include deposits, accounts receivable, other receivables, accrued income, derivatives, participations in unlisted companies, cash and cash equivalents on the asset side. The liability side includes liabilities through the Group's credit facility, earn-outs, derivatives, accounts payable, other liabilities and accrued expenses.

2.8.1 Recognition in and derecognition from the statement of financial position

On some of the Group's e-commerce platforms, customers are offered loans from a financial institution that the Group partners with to finance their purchases. If the customer chooses to utilise such a credit solution, the financial institution receives a receivable from the customer, while the Group receives liquidity from the institution within a couple days of the completed purchases. The Group assumes no credit risk or other risk for the receivables the credit institution has from the customer. Accordingly, the Group recognises no accounts receivable in the statement of financial position if the customer chooses to utilise a credit solution from the financial institution, since in these cases it is the financial institution that is entitled to receive payment from the customer and is entitled to all of the risks and rewards associated with the receivable. However, during the period from the time the purchase is made until the Group receives liquidity from the financial institution, the Group recognises a receivable from the institution for the liquidity amount.

Acquisitions and divestments of financial assets are recognised on the settlement day. The settlement day is the day on which an asset is delivered to or from the company.

2.8.2 Classification and measurement of financial assets

The Group measures participations in unlisted companies and derivatives that comprise assets at fair value. Other financial assets are measured at amortised cost since they are then held within the framework of a business model wherein the aim is to collect the contractual cash flows, while the cash flows from the assets only comprise payments of the principal and interest. Participations in unlisted companies are measured at fair value through profit or loss. For recognition of derivatives, see section 2.8.4 below.

2.8.3 Subsequent classification and measurement of financial liabilities

The Group's liabilities for earn-outs attributable to business combinations and derivative liabilities are measured at fair value through profit or loss. Other financial liabilities are recognised at amortised cost.

Recognition of financial income and expenses is also addressed under accounting policy 2.6 above.

2.8.4 Derivatives

The Group has derivatives in the form of currency forwards that are used to hedge currency exposure in the Hafa Bathroom Group sub-Group. Since the Group does not apply hedge accounting for currency forwards, the changes in value are recognised in profit or loss in "Other operating revenue" and "Other operating expenses," respectively.

2.9 Tangible fixed assets

Tangible fixed assets are recognised in the Group at cost less accumulated depreciation and any impairment.

Gains or losses arising from the divestment or disposal of an asset consist of the difference between the selling price and the asset's carrying amount less direct selling costs. Gains and losses are recognised as other operating income/expenses.

2.9.1 Depreciation policies for tangible fixed assets

Depreciation is effected straight line over the estimated useful life of the asset. The depreciation methods, residual values and useful lives used are retested at the end of each year.

The estimated useful lives are:

Buildings	20 years
Equipment	5 years
Leasehold improvements	For the duration of the lease

2.10 Intangible assets

2.10.1 Intangible assets with an indefinite useful life

2.10.1.1 Goodwill

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is distributed to cash generating units and is tested, at least annually, for impairment (see section 2.12.1).

The Group's cash generating units match the operating segments (see section 2.2).

2.10.1.2 Trademarks

The recognised brands have an indefinite useful life because they pertain to well-known market brands that the Group intends to retain and further develop and that thus may be expected to generate cash flows during an indefinite period ahead. Trademarks are recognised at cost less any accumulated impairment losses. Trademarks are allocated to cash generating units and are tested, at least annually, for impairment (see section 2.12.1).

2.10.2 Intangible assets with a definite useful life

The Group's intangible assets with a definite useful life comprise development expenditure, customer relationships and other intangible assets. Capitalised development expenditure is mainly related to software and software platforms.

2.10.3 Amortisation policies for intangible assets

Intangible assets with a definite useful life are amortised straight line over the estimated useful life of the intangible assets.

The estimated useful lives are:

Development expenditure	5 years
Customer relationships	10 years
Other intangible assets	5 years

2.11 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the first-in-first-out principle (FIFO). Net realisable value is the estimated selling price in the operating activities less the estimated cost of completion and sale. Inventory cost is based on cost and includes costs arising in connection with acquisition of goods and bringing the goods to their condition and location. Reserves for obsolescence are included in the item "Goods sold".

Many of the Group's contracts with suppliers include the right to receive a bonus from the supplier if certain sales targets are met. The Group recognises a receivable from the supplier for such rights. A corresponding amount is recognised as a deduction against the item "Goods sold" in the consolidated income statement.

2.12 Impairment

2.12.1 Impairment of tangible and intangible assets

If there is an indication of an impairment requirement, the recoverable amount of the asset is calculated (see below). The recoverable amount of goodwill, trademarks and intangible assets not yet ready for use is also calculated annually.

2.12.2 Impairment of financial assets

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

The Group calculates a loss allowance for expected credit losses on accounts receivable in accordance with the simplified impairment model in IFRS 9. A need for impairment of accounts receivable is established using historical experience of customer bad debts for similar claims. The credit losses are measured as the present value of all deficits in the cash flows (meaning the difference between the contractual cash flows and the cash flow the Group expects to receive). Accounts receivable are normally 100% impaired 90 days after the repayment date since, according to the Group's assessment, this corresponds to the expected credit loss at this point in time.
The loss allowance reduces the fair value of the assets in the statement of financial position and is charged to the item "Goods sold" in the consolidated income statement.

2.13 Employee benefits

2.13.1 Share-based employee benefits

Warrant programmes (LTIP) 2021, 2022 and 2023

In 2021, 2022 and 2023, the Group introduced warrant programmes that allow employees to acquire shares in BHG Group AB. Programme participants are offered an opportunity to acquire warrants at a price corresponding to the fair value of the warrants on the subscription date. Participants in the programme LTIP 2021 and LTIP 2022 received a salary subsidy from the Group reflecting 50% of the warrants' fair value at the subscription date after a deduction for withholding tax. The participants in LTIP 2023:1 received a subsidy corresponding to 63% of the fair value of the warrants, while the participants in LTIP 2023:2 received a subsidy corresponding to 60% of the fair value of the warrants. An amount corresponding to the subsidy (net after the deduction of withholding tax) is therefore recognised as share-based remuneration according to IFRS 2. Social security contributions arising in connection with the salary subsidy have been recognised as an expense in the period when the employee received the subsidy. The value of the subsidy is recognised as an employee benefit expense over the vesting period, with an equivalent increase of equity. The warrant premium received has been recognised in equity.

Share savings programme 2023

In 2023, the Group introduced a share savings programme. Participants who retain their investment shares during the three-year vesting period and remain employed in the Group throughout the entire period are entitled to receive performance shares free of charge, provided that performance targets related to the share price and EBIT growth are achieved. The fair value of the share rights as of the allotment date is recognised as an employee benefit expense over the vesting period, with a contra entry in "Retained earnings" in equity. The Group also recognises a provision for social security contributions based on the number of share rights expected to be vested and on the fair value of the share rights on the respective reporting date, and finally on the allotment of performance shares.

Incentive programme in Nordic Nest

The Group has an incentive programme for employees in the Nordic Nest sub-Group. Participants in the programme hold synthetic options that are settled in cash depending on the value of the shares in Nordic Nest Group AB. Accordingly, the programme is classified as cash-settled share-based remuneration. Cash-settled options give rise to an obligation to the employees, which is initially measured at fair value on each balance-sheet date and when the obligation is settled. The liability accumulates over the vesting period, and for each period a personnel cost is recognised in net profit in an amount corresponding to the increase in the liability in over the same period.

2.13.2 Defined-contribution pension plans

The company's pension plans pertain only to defined-contribution plans. The company's obligations regarding contributions to defined-contribution plans are recognised as an expense in profit or loss at the rate at which they are vested by employees performing services for the company during a period.

2.13.3 Government assistance received for personnel costs

In 2023, the Group received government assistance related to personnel costs. This assistance mainly pertained to compensation for sick pay costs as well as certain other personnel-related assistance. This assistance has been recognised as a reduction in personnel costs.

2.14 Parent Company accounting policies

The Parent Company prepares its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Corporate Reporting Board's recommendation RFR 2 Accounting for legal entities. Statements issued by the Swedish Corporate Reporting Board for listed companies are also applied. RFR 2 entails that the Parent Company, in the annual accounts for the legal entity, is required to apply all EU-approved IFRS and statements, as far as possible, within the framework of the Annual Accounts Act and the Swedish Pension Obligations Vesting Act, and taking into account the connection between accounting and taxation. The recommendation specifies the exceptions and supplements that should or may be applied in relation to IFRS.

2.14.1 Differences between the accounting policies of the Group and the Parent Company

The differences between the accounting policies of the Group and the Parent Company are stated below. The accounting policies stated below for the Parent Company have been applied consistently for all presented periods in the Parent Company's financial statements.

2.14.1.1 Changed accounting policies

The Parent Company's accounting policies are unchanged compared with the preceding financial year.

2.14.1.2 Classification and presentation formats
The Parent Company uses the terms “balance sheet” and “cash flow statement” for the statements designated as the “statement of financial position” and “statement of cash flows” for the Group. The income statement and balance sheet for the Parent Company are prepared according to the stipulations of the Annual Accounts Act while the statement of comprehensive income, statement of changes in equity and cash flow statement are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows, respectively.

The differences between the Group statements and the Parent Company’s income statement and balance sheet mainly comprise the recognition of financial income and expenses, equity and the occurrence of provisions as a separate item in the balance sheet.

2.14.1.3 Subsidiaries
Participations in subsidiaries in the Parent Company are recognised according to the cost method. This means that transaction fees are included in the carrying amount of shareholdings in subsidiaries. In the consolidated financial statements, transaction fees attributable to subsidiaries are recognised directly in the consolidated income statement when they arise.

The value of contingent considerations is based on the probability that the consideration will be paid. Possible changes in the provision are added to/reduce the cost. In the consolidated financial statements, contingent considerations are recognised at fair value with changes in value recognised in profit or loss.

2.14.1.4 Group and shareholder contributions for legal entities
The Parent Company recognises received and paid Group contributions as appropriations in accordance with RFR 2. Shareholder contributions are recognised directly against equity for the recipient and capitalised in shares and participations for the provider if there is no need for impairment.

2.14.1.5 Financial instruments
IFRS 9 is not applied in the Parent Company, which entails that financial instruments are measured at cost. In subsequent periods, financial assets acquired to be held in the short term will be recognised at the lower of cost or market value. In subsequent recognition, financial assets held in the long term will be measured at coast and be tested for impairment.

2.14.1.6 Leases
The Parent Company does not apply IFRS 16 pursuant to the exemption contained in recommendation RFR 2. As a lessee, lease payments are recognised as a cost straight line over the term of the lease and thus no right-of-use assets or lease liabilities are recognised in the balance sheet.

NOTE 3 IMPORTANT ESTIMATES AND ASSUMPTIONS
Preparing financial statements in accordance with IFRS requires the Board of Directors and executive management to make assessments and estimates that affect the application of the accounting policies and the carrying amounts of assets, liabilities, revenue and costs. The estimates and assumptions are based on historical experience and a number of other factors which under the current conditions seem reasonable. The results of these judgements and estimates are used to determine the carrying amounts of assets and liabilities that are not otherwise apparent from other resources.

3.1 Significant sources of estimation uncertainty
The sources of estimation uncertainty presented below pertain to those that entail a significant risk of the value of the asset or liability requiring major adjustments during the coming financial year.

The estimates and assumptions are reviewed on a regular basis. Changes in estimates are recognised in the period when the change is made if the change affects this period only, or in the period when the change is made and in future periods if the change affects the current period as well as future periods.

3.1.1 Measurement of earn-outs and liabilities to non-controlling interests
In many of the Group’s business combinations, contingent considerations to the seller arise or, in the event that the Group has issued a put option to a non-controlling interest, a liability to the non-controlling interest arises. Both contingent considerations and liabilities to non-controlling interests are largely dependent on the acquired company’s earnings trend. Accordingly, an important estimate in determining the fair value of these items is the Group’s assessment of the acquired company’s future earnings trend. Changes in the value of contingent considerations are recognised through profit or loss, while changes in the value of liabilities to non-controlling interests are recognised directly in equity.

3.1.2 Impairment testing of goodwill
The Group has material goodwill items that arose as a result of business combinations. Goodwill is tested annual for impairment in accordance with the requirements in IAS 36. For the purpose of impairment testing, the recoverable amount of each cash generating unit is calculated based on several key assumptions, such as growth, operating margin and discount rate (WACC). As of the publication date of this annual report, management’s assessment is that reasonable possible changes in the discount rate could result in impairment of goodwill in the Home Improvement and Value Home segments. Moreover, individual reasonable possible changes to the growth rate after the five-year forecast period and to the estimated operating margin during the five-year forecast period could result in impairment of goodwill in Value Home. As of 31 December 2024, recognised goodwill amounted to SEK 2,535.6 million (2,891.4) in Home Improvement and to SEK 1,537.1 million (1,478.0) in Value Home. For additional information and sensitivity analyses, see Note 13.

3.2 Significant judgements in applying the Group’s accounting policies

3.2.1 Length of lease term
Several of the Group’s leases include an extension option. According to IFRS 16, extension options are included in the

lease term if the lessee is reasonably certain to exercise them, thus significantly impacting the size of the lease liability and the right-of-use asset that are reported for the lease in accordance with IFRS 16. See Note 28 for further details of the judgements that the Group applies when judging the length of the lease term.

3.2.2 Consolidation of Furniture 1

In July 2023, BHG Group divested 20.1% of the shares and votes in its subsidiary Furniture 1 ("F1") to the company's founder, who was also a non-controlling interest. Following the transaction, BHG Group owns 30% of the votes and capital in F1 and also has an option to repurchase 20.1% of the shares. According to BHG Group's assessment, the option gives the Group control over F1 since the Group can exercise the option to acquire a majority shareholding ("potential voting rights") and there are no significant financial obstacles or other obstacles preventing the Group from exercising its rights under the option. F1 therefore continues to be recognised as a subsidiary and is consolidated in the Group.

3.2.3 Establishment of purchase consideration for the acquisition of Trendrum

The Group's accounting policy (see section 2.3.1) above is not to recognise a non-controlling interest in a business combination insofar as BHG has a commitment to acquire the minority owner's shares in the future. Therefore, the liability to acquire the minority owner's shares is included in the consideration transferred for the business combination. In connection with the acquisition of Trendrum (see Note 5), BHG entered into an agreement to purchase the remaining 32.5% of Hemfint Group AB over a period up to and including 2028. Hemfint Group in turn owns 100% of both Trendrum AB and the companies Arc-E Commerce AB and Hemfint i Kristianstad AB, which were acquired in previous years. The commitment for BHG to purchase 32.5% of Hemfint Group AB thus refers indirectly to the purchase not only of the minority share of Trendrum, but also the minority share of Arc-E Commerce AB and Hemfint i Kristianstad AB.

While preparing the acquisition analysis for Trendrum, the question therefore arose as to whether all or only parts of the liabilities to purchase the minority share of Hemfint Group AB should be included as part of the consideration for Trendrum. BHG has made the assessment that including the entire liability in the transferred consideration for the business combination would result in an overestimation of the consideration for Trendrum since the liability indirectly relates to the future purchase of the minority share not only in Trendrum but also in the existing subsidiaries Arc-E Commerce AB and Hemfint i Kristianstad AB. Therefore, the consideration transferred for the acquisition of Trendrum only includes a proportionate share of the liability considered to be attributable to Trendrum based on the relative valuations of the three subsidiaries.

3.2.4 Acquisition of KitchenTime

In January 2024, BHG Group acquired certain assets in KitchenTime AB in the form of brands, a customer database and inventory. BHG is of the opinion that the transaction did not meet the criteria to constitute a business combination in IFRS 3 Business Combinations because no processes or personnel were included in the transaction. Instead, the transaction was recognised as an asset acquisition. The cost was allocated to the various separately identifiable intangible assets and inventories covered by the agreement based on their relative fair values.

NOTE 4 OPERATING SEGMENTS AND REVENUE

The Group's operations are divided into three segments. Each segment has a segment manager who regularly reports to executive management. The Group's internal reporting is structured to enable executive management to monitor the various segments' sales growth and operating income.

The Home Improvement segment offers a broad product range and price matching, primarily within DIY products, and is mainly based on a drop shipping model with a low level of tied-up capital. The segment includes brands such as Bygghemma, Hylte Jakt & Trädgård, Taloon, Golvpoolen, Hafa and Nordiska Fönster.

The Value Home segment is a value-driven model that focuses on offering competitive prices, enabled by private label products and stock keeping mainly within furniture and leisure products. The segment includes brands such as Trademax, Chilli, Furniturebox and Outlet1.

The Premium Living segment has a premium position and focuses on internationalising Scandinavian design within furniture and home furnishings, primarily through stock keeping of external brands. The segment primarily comprises the brands Nordic Nest, Svenssons and Sleepo.

BHG Group AB (publ) has been listed on Nasdaq Stockholm (Mid Cap) since 27 March 2018. For information about the company's owners, see the section "The share."

The Group's revenue shows seasonal variations. Along with the fourth quarter, the second quarter normally has the highest sales.

Other

The Parent Company provides management services to the Group's segments. Such sales occurred at cost price.

(SEKm)	2024 Home Improvement	Value Home	Premium Living	Subtotal	Other	Eliminations	Group
Net sales	5,175.4	2,458.3	2,377.4	10,011.1	36.0	-84.6	9,962.5
Net sales to other segments	4.0	42.7	1.9	48.6	36.0	-84.6	-
Depreciation, amortization and impairment	-614.8	-174.3	-111.4	-900.5	-2.5		-903.0
Operating income	-343.2	-43.9	7.6	-379.4	-63.5		-442.9
Financial income							18.6
Financial expenses							-212.5
Profit/loss before tax							**-636.8**

(SEKm)	2023 Home Improvement	Value Home	Premium Living	Subtotal	Other	Eliminations	Group
Net sales	5,726.7	3,941.4	2,201.2	11,869.3	32.1	-111.2	11,790.2
Net sales to other segments	6.6	72.3	0.2	79.1	32.1	-111.2	-
Depreciation, amortization and impairment	-270.7	-337.0	-87.7	-695.3	-2.3	-	-697.7
Operating income	-71.5	-1,259.3	48.6	-1,282.2	-92.0	-	-1,374.2
Financial income							29.0
Financial expenses							-248.2
Profit/loss before tax							**-1,593.3**

No single customer in the Group accounts for more than 10% of the Group's revenue.

The Group's segments operate mainly in the Nordic region. Net sales and non-current assets are recognised below per geographic area. Sales are recognised in those countries where the sales occur.

(SEKm)	2024 Home Improvement	Value Home	Premium Living	Subtotal	Other	Eliminations	Group
Sweden	3,535.9	1,157.7	1,019.8	5,713.4	36.0	-70.8	5,678.6
Finland	1,344.9	65.9	74.9	1,485.6	-	-8.1	1,477.5
Denmark	60.0	23.2	57.1	140.3	-	-0.8	139.4
Norway	161.3	169.1	260.3	590.8	-	-	590.8
Tyskland	16.4	18.9	445.9	481.2	-	-	481.2
Rest of Europe	57.0	1,023.3	411.1	1,491.4	-	-4.8	1,486.6
Rest of World	-	-	108.5	108.5	-	-	108.5
Net sales	**5,175.4**	**2,458.3**	**2,377.4**	**10,011.1**	**36.0**	**-84.6**	**9,962.5**

(SEKm)	2023 Home Improvement	Value Home	Premium Living	Subtotal	Other	Eliminations	Group
Sweden	3,760.1	1,489.4	976.9	6,226.4	32.1	-105.0	6,153.5
Finland	1,383.6	178.2	59.9	1,621.7	-	-1.2	1,620.4
Denmark	282.0	361.7	61.3	705.0	-	-	705.0
Norway	241.1	348.0	233.4	822.6	-	-	822.6
Germany	12.6	478.8	383.7	875.1	-	-	875.1
Rest of Europe	47.2	1,085.4	364.8	1,497.4	-	-4.9	1,492.5
Rest of World	-	-	121.2	121.2	-	-	121.2
Net sales	**5,726.7**	**3,941.4**	**2,201.2**	**11,869.3**	**32.1**	**-111.2**	**11,790.2**

(SEKm)	Fixed assets 2024	2023
Sweden	8,395.5	8,399.6
Finland	127.5	498.0
Denmark	0.8	21.6
Norway	4.8	76.8
Other Europe	209.5	209.7
	8,738.1	**9,205.6**

(SEKm)	Contract balances 2024	2023
Assets		
Refund asset	15.7	13.5
Account receivables	152.2	199.9
Accrued income	7.2	7.5
	175.0	**220.8**
Liabilities		
Advance from customers	-141.3	-91.7
Refund liability	-25.3	-20.4
Other prepaid income	-1.4	-1.1
	-168.0	**-113.2**
Contract balances	**7.0**	**107.6**

All contract liabilities recognised at the beginning of the year were recognised as revenue in 2024. No information is presented regarding transaction price allocated to the remaining performance obligations since there were no such obligations with an original expected term of more than one year as of 31 December 2024.

NOTE 5 BUSINESS COMBINATIONS

Subsidiaries are companies that are under BHG Group AB's (publ) controlling influence. Controlling influence entails a direct or indirect right to shape a company's financial and operational strategies in order to obtain financial benefits. To assess whether a controlling influence exists, potential voting shares that can be immediately utilised or converted are taken into account.

Summary acquisition (SEKm)	Group 2024	2023
Acqusition of shares		
Net identifiable assets and liabilities	-2.6	-
Goodwill	93.1	-
Purchase price	**90.5**	**-**
Less:		
Cash and cash equivalents	1.1	-
Shares in subsidiaries	-59.1	-
Contingent/ deferred purchase price, vendor loans	-31.4	-
Consideration transferred	**1.1**	**-**
Acquisition of non-controlling interests	-21.0	-169.4
Contingent consideration	-	-297.7
Net cash flow	**-19.9**	**-467.1**

Acquisitions in 2024

In March 2024, BHG acquired 67.5% of Trendrum for a consideration comprising 32.5% of the Group's existing holding in the subsidiary Arc E-Commerce AB and 16.3% of the holding in the subsidary Hemfint. The acquisition of Trendrum constituted a business combination and has been recognised in accordance with the general principles on business combinations in section 2.3.1 above. Following the acquisition, Trendrum, Arc E-Commerce and Hemfint are included in the sub-group Hemfint Group. After the acquisition, BHG owns 67.5% of the shares in Hemfint Group, while the sellers of Trendrum own the remaining 32.5%. According to the agreement between BHG and the sellers, BHG will acquire the remaining 32.5% of the shares in Hemfint Group in tranches between April 2025 and April 2028. No cash consideration was paid to the sellers for the acquisition of Trendrum. Instead, the consideration consisted of the fair value of the shares in the subsidiaries Arc E-Commerce and Hemfint and a share of the liability for BHG's commitment to purchase the remaining shares in Hemfint Group AB (see also section 3.2.3 on significant judgements in applying the Group's accounting policies).

(SEKm)	Net identifiable assets and liabilities	Goodwill	Purchase price	Cash and cash equivalents	Issued shares in BHG Group AB	Shares in subsidiaries	Contingent/ deferred purchase price, vendor loans	Net cash flow
	2024							
Business combinations								
Acqusition of shares in Trendrum AB*	-2.6	93.1	**90.5**	1.1	-	-59.1	-31.4	**1.1**
Acquisition of non-controlling interests								
Acquisition of shares in Arc E-Commerce AB	-	-	**-**	-	-	-	-	**-12.0**
Acquisition of shares in Nordic Nest Group AB	-	-	**-**	-	-	-	-	**-9.0**
	-2.6	**93.1**	**90.5**	**1.1**	**-**	**-59.1**	**-31.4**	**-19.9**

* The consideration for the acquisition of Trendrum consisted of shares in the subsidiaries Arc E-commerce AB and Hemfint Kristianstad AB and a liability for a put option issued to the minority shareholders entitling them to sell their holding in the sub-group Hemfint Group to BHG Group in the future. Hemfint Group includes Arc E-commerce, Hemfint Kristianstad and Trendrum. BHG did not pay any cash consideration for the acquisition of Trendrum.

Transaction costs

Transaction costs for the acquisitions carried out in previous years amounted to SEK 1.4 million and are recognised as other external costs in profit or loss and the statement of other comprehensive income.

(SEKm)	Net identifiable assets and liabilities	Goodwill	Purchase price	Likvida medel	Issued shares in BHG Group AB	deferred purchase price, vendor loans	Net cash flow
	2023						
Business combinations during 2023							
Acquisition of non-controlling interests							
Acquisition of shares in Arc E-Commerce AB	-	-	**-**	-	-	-	**-70.6**
Acquisition of shares in LampGallerian Växjö AB	-	-	**-**	-	-	-	**-42.8**
Acquisition of shares in IP-Agency Oy	-	-	**-**	-	-	-	**-55.9**
Contingent consideration							
Additional purchase price, Nordiska Fönster i Ängelsholm AB	-	-	**-**	-	-	-	**-1.5**
Additional purchase price, Navitek Oy	-	-	**-**	-	-	-	**-3.2**
Additional purchase price, Lindström & Sondén AB	-	-	**-**	-	-	-	**-11.8**
Additional purchase price, Hyma Skog & Trädgård AB	-	-	**-**	-	-	-	**-268.0**
Additional purchase price, E. Svenssons i Lammhult AB	-	-	**-**	-	-	-	**-13.1**
	-	**-**	**-**	**-**	**-**	**-**	**-467.1**

NOTE 6 DIVESTMENT OF BUSINESSES

On 22 November 2024, BHG entered into an agreement with the minority owners of IP-Agency Finland Oy giving BHG the right to sell all of the shares in IP-Agency to the minority owners. The minority owners have a corresponding right to purchase all of the shares in IP-Agency from BHG. The minority owners, who are also the founders of IP-Agency, currently hold 30% of the shares in the company. The agreement was conditional on approval by an extraordinary general meeting of BHG, held on 18 December 2024.

As of the date of the annual report, arbitration proceedings were ongoing regarding the price to be paid by BHG for the shares of the minority owners pursuant to the shareholder agreement entered into when BHG acquired a majority stake in IP-Agency in 2021. Depending on the outcome of the proceedings, the price for the shares could be between EUR 2.1 million and EUR 13.9 million. BHG received the results of the proceedings on 28 February 2025. According to the ruling, BHG is to pay EUR 2.5 million for the remaining 30% of the shares in IP-Agency.

Following the proceedings, BHG will own 100% of the shares in IP-Agency. In accordance with the agreement of 22 November 2024, the minority owners have the right to purchase 100% of the shares in IP-Agency for a period of time following the end of the arbitration proceedings, while BHG has a corresponding right to sell 100% of the shares in IP-Agency to the minority owners. IP-Agency's sales for full-year 2024 amounted to SEK 312.3 million, and its adjusted EBIT for the same period amounted to SEK 13.2 million. BHG intends to exercise its put option and sell 100% of the shares in IP-Agency for a consideration of EUR 5 million, corresponding to approximately SEK 57.4 million at the exchange rate in effect on 31 December 2024. IP-Agency is therefore recognised as a disposal group on the balance-sheet date, in accordance with IFRS 5.

Impairment of SEK -399.0 million has been recognised on the measurement of the disposal group at fair value less selling costs in the fourth quarter. As of 31 December 2024, the disposal group for IP-Agency comprised assets of SEK 106.0 million less liabilities amounting to SEK 48.5 million. As of the balance-sheet date, the translation reserve in equity included accumulated exchange-rate differences of SEK 36.3 million attributable to IP-Agency. Translation differences accumulated on the divestment date will be reversed to profit or loss upon the divestment of IP-Agency.

The disposal group is recognised in the Home Improvement segment.

SEKm	31 dec 2024
Inventory	66.2
Other short-term receivables	18.0
Cash and cash equivalents	21.8
Assets held for sale	**106.0**
Provisions	6.1
Accounts payable	13.7
Lease liabilities	4.2
Other short-term liabilities	24.6
Liabilities directly associated with assets held for sale	**48.5**
Disposal group	**57.4**

NOTE 7 FEES AND REMUNERATION TO AUDITORS

	Group		Parent company	
(SEKm)	**2024**	**2023**	**2024**	**2023**
PwC				
Audit engagements	-8.6	-9.3	-1.6	-2.3
Audit-related services	-0.0	-0.2	-0.0	-0.1
Tax consulting	-0.1	-0.4	-	-0.2
Other services	-0.4	-0.1	-0.4	-0.0
	-9.1	**-9.9**	**-2.0**	**-2.6**
Other audit firms				
Audit engagements	-0.9	-0.6	-	-
Audit-related services	-	-	-	-
Tax consulting	-0.0	-	-	-
Other services	-	-	-	-
	-0.9	**-0.6**	**-**	**-**
Total all audit firms	**-10.0**	**-10.5**	**-2.0**	**-2.6**

Of the above fees to PwC, SEK 6.6 million (7.3) pertains to the Group's fee to Öhrlings PricewaterhouseCoopers AB. For the Parent Company, the entire fee pertains to Öhrlings PricewaterhouseCoopers AB.

Audit engagement refers to the statutory audit of the annual report, the consolidated financial statements and the accounting records as well as the administration by the Board of Directors and the CEO, and any audit work and other reviews performed in accordance with agreements or contracts. This includes other tasks incumbent on the company's auditor as well as consulting services or other assistance required as a result of observations made during such an audit or the execution of such other tasks.

NOTE 8 PERSONNEL COSTS AND REMUNERATION OF SENIOR EXECUTIVES

	Group		Parent company	
(SEKm)	**2024**	**2023**	**2024**	**2023**
Salaries	-564.4	-707.9	-31.1	-34.8
Received governmental aid	1.9	2.7	-	-
Social security contributions	-183.4	-208.7	-11.5	-13.9
Share-based remuneration	-1.3	-11.6	-1.3	-0.7
Pension expenses, defined contribution plans	-54.5	-70.7	-4.7	-4.8
	-801.6	**-996.2**	**-48.5**	**-54.2**

The Group has received government assistance related to personnel costs. This assistance mainly pertained to compensation for sick pay costs as well as certain other personnel-related assistance.

	Group		Parent company	
(SEKm)	**2024**	**2023**	**2024**	**2023**
Senior executives	-23.9	-23.2	-20.0	-19.3
of which variable salary	*-5.6*	*-6.2*	*-5.3*	*-6.2*
Other employees	-540.5	-684.8	-11.1	-15.5
	-564.4	**-707.9**	**-31.1**	**-34.8**

The number of senior executives amounted to seven during the January–December 2024 period.
The number amounted to six during the January–June 2023 period and seven during the July–December 2023 period.

	2024					
Remuneration and other benefits (SEKm)	**Basic salary/ Board remuneration**	**Variable remuneration**	**Other benefits**	**Pension expenses**	**Share based remuneration**	**Total**
Board of Directors						
Christian Bubenheim	-0.7	-	-	-	-	-0.7
Kristian Eikre	-	-	-	-	-	-
Joanna Hummel*	-0.5	-	-	-	-	-0.5
Mikael Olander	-0.3	-	-	-	-	-0.3
Negin Yeganegy	-0.4	-	-	-	-	-0.4
Vesa Koskinen	-0.3	-	-	-	-	-0.3
CEO (remuneration from the parent company)						
Gustaf Öhrn	-6.6	-1.9	-0.0	-1.8	-0.0	-10.3
Other senior executives						
Remuneration from parent company	-8.1	-3.5	-0.0	-1.7	-0.2	-13.5
Remuneration from subsidiaries	-3.6	-0.3	-0.0	-1.0	-	-4.9
	-20.4	**-5.6**	**-0.0**	**-4.5**	**-0.2**	**-30.8**

* During the year, Board member Joanna Hummel received remuneration totalling SEK 0.6 million. The remuneration pertained to director fees of SEK 0.4 million from BHG Group AB, director fees of SEK 0.1 million from the subsidiary Nordic Nest Group AB and remuneration of SEK 0.1 million for consulting services regarding strategy development in Home Furnishing Nordic AB.

Kristian Eikre, as a representative of Ferd, chosen not to receive any director fees.

Accrued variable remuneration to be paid to the CEO and other senior executives after year-end amounts to SEK 1.9 million (3.0) and SEK 3.8 million (3.7), respectively.

The period of notice is 12 months for the CEO and 6 months for the company. The CEO is not entitled to severance pay.

Remuneration and other benefits (SEKm)	2023					
	Basic salary/ Board remuneration	Variable remuneration	Other benefits	Pension expenses	Share based remuneration	Total
Board of Directors						
Christian Bubenheim	-0.7	-	-	-	-	-0.7
Kristian Eikre	-	-	-	-	-	-
Joanna Hummel	-0.4	-	-	-	-	-0.4
Mikael Olander	-0.2	-	-	-	-	-0.2
Negin Yeganegy	-0.2	-	-	-	-	-0.2
Vesa Koskinen	-0.3	-	-	-	-	-0.3
Mariette Kristensson	-0.1	-	-	-	-	-0.1
Niklas Ringby	-0.0	-	-	-	-	-0.0
CEO (remuneration from the parent company)						
Gustaf Öhrn	-6.4	-3.0	-0.0	-1.9	-4.3	-15.6
Other senior executives						
Remuneration from parent company	-6.7	-3.2	-0.0	-1.5	-0.1	-11.5
Remuneration from subsidiaries	-3.8	-	-0.0	-0.9	-2.5	-7.3
	-18.9	**-6.2**	**-0.0**	**-4.3**	**-6.9**	**-36.4**

Share-based remuneration settled through shares in BHG Group AB (LTIP)

The general meetings on 13 January 2023, 3 May 2023, 5 May 2022, and 5 May 2021 resolved to introduce incentive programmes for key employees in the Group. Accordingly, four incentive programmes have run in parallel in the form of LTIP 2021, LTIP 2022, LTIP 2023:1 and LTIP 2023:2. However, LTIP 2021 ended in 2024.

All four programmes are warrant programmes and under all of the programmes each warrant entitles/entitled the holder to subscribe for one new ordinary share in BHG Group AB. The price for the warrants (warrant premium) corresponds to the market value of the warrants on the date of subscription and allotment, which has been calculated in accordance with the Black-Scholes pricing model, with measurement policies in accordance with market practice.

Subscription prices

The subscription price for LTIP 2021 amounts to 130% of the volume-weighted average price prior to the General Meeting on 5 May 2021, corresponding to a subscription price of SEK 216.90 per share.

The subscription price for LTIP 2022 amounts to 130% of the volume-weighted average price prior to the General Meeting on 5 May 2022, corresponding to a subscription price of SEK 84.48 per share.

The subscription price for LTIP 2023:1 and 2023:2 amounts to SEK 35.00 per share.

Subscription periods for new shares

All warrants outstanding under LTIP 2021 expired without being utilised during the year since the subscription price exceeded the share price for the entire subscription period.

For LTIP 2022, shares can be subscribed for during the period from 1 August 2025 until 30 September 2025. For LTIP 2023:1, shares can be subscribed for during the period from 3 April 2026 until 3 July 2026, while the subscription period for LTIP 2023:2 is from 1 August 2026 until 30 September 2026.

Cost effects

The participants in the programmes LTIP 2021 and LTIP 2022 received a subsidy from BHG Group AB corresponding to 50% of the fair value of the warrants at the subscription date. The participants in LTIP 2023:1 received a subsidy corresponding to 63% of the fair value of the warrants, while the participants in LTIP 2023:2 received a subsidy corresponding to 60% of the fair value of the warrants.

In 2024, the Group expensed an amount totalling SEK -0.2 million (-11.6) for share-based remuneration in accordance with IFRS 2.

Dilution

Holders of warrants outstanding under LTIP 2022 can subscribe for a maximum of 1,365,000 shares, holders of warrants outstanding under LTIP 2023:1 can subscribe for a maximum of 1,898,654 shares and holders under LTIP 2023:2 can subscribe for a maximum of 4,800,000 shares.

If all of the outstanding warrants in the three programmes had been exercised as of 31 December 2024, the number of shares issued by the company would have increased by 8,063,654 ordinary shares, corresponding to dilution of 4.5% of the capital and votes at year-end 2024.

	Parent company			
Granted warrants	**President and CEO**	**Senior executives**	**Other key-employees**	**Total**
Long-term incentive program, 2023:1	1,898,654	-	-	1,898,654
Long-term incentive program, 2023:2	-	2,200,000	2,600,000	4,800,000
Long-term incentive program, 2022	-	300,000	1,065,000	1,365,000
Total outstanding as of 31 December 2023	**1,898,654**	**2,500,000**	**3,665,000**	**8,063,654**

	Parent company			
Outstanding warrants	**2024**	**Weighted redemption price**	**2023**	**Weighted redemption price**
Outstanding as of 1 January	9,229,154	65.29	3,567,500	145.33
Granted during the period	-	-	6,698,654	35.00
Lapsed during the period	-1,165,500	216.90	-1,037,000	145.00
Outstanding as of 31 December	**8,063,654**	**43.38**	**9,229,154**	**65.29**

	Parent company		
Fair value and assumptions regarding warrants	**LTIP 2023:1**	**LTIP 2023:2**	**LTIP 2022**
Share price	16.54	12.61	33.40
Redemption price	35.00	35.00	84.48
Expected volatility (%)	39.00	39.00	35.00
Expected maturity (years)	3.50	3.33	3.29
Risk-free interest (%)	1.97	2.67	2.16
Fair value	**1.54**	**0.61**	**1.29**

The table above shows the assumptions used on the allotment date for each incentive programme. The expected volatility is based on historical volatility, adjusted for any expected changes in future volatility as a result of officially available information.

	Parent company			
Specification of warrants	**Number of options**	**Value at distribution**	**Redemption time**	**Redemption price**
Long-term incentive program, 2023:1	1,898,654	1.54	2026	35.00
Long-term incentive program, 2023:2	4,800,000	0.61	2026	35.00
Long-term incentive program, 2022	1,365,000	1.29	2025	84.48

Share savings programme 2023

The Annual General Meeting on 3 May 2023 resolved to introduce a share savings programme for certain senior executives, CEOs and key employees in the Group. To participate in the programme, participants must have acquired shares in BHG Group AB, so-called investment shares. For each investment share held under the programme, BHG Group AB will grant participants a right to up to two performance shares free of charge, provided that certain conditions are fulfilled. 56 employees originally participated in the programme.

To be eligible for performance shares, participants must have retained their own original investment shares and remain employed by the Group until the date of the 2026 Annual General Meeting.

The number of performance shares earned and allotted depends on the extent to which performance criteria are met in relation to defined minimum and maximum levels. There are two performance criteria. The first is linked to the performance of the BHG Group AB share price, measured as the ratio between the volume-weighted average price over five trading days falling 30 days after the date of the 2023 Annual General Meeting and the volume-weighted average price over five trading days on the same date in 2026. If the share price during this period has increased to SEK 35 per share, the participant receives one performance share per investment share; at a price of SEK 30 per share, 75% of a performance share is received; at a price of SEK 25 per share, 50% of a performance share is received; at a price of SEK 20 per share, 25% of a performance share is received; and if the price is below SEK 20 per share, no performance shares are received.

The second performance criterion is linked to the development of adjusted EBIT for the Group, measured as a percentage change between the 2022 and 2025 financial years. If adjusted EBIT has increased by 40%, the participant receives one performance share per investment share; if adjusted EBIT has increased by 30%, 75% of a performance share is received; if EBIT has increased by 20%, 50% of a performance share is received; if adjusted EBIT has increased by 10%, 25% of a performance share is received; and if adjusted EBIT is lower than 10%, no performance shares are received.

Accordingly, a participant in the programme can receive a maximum of two performance shares per investment share. The maximum number of shares that can be allotted to participants under the programme was limited to 786,000 as of the balance-sheet date. However, the maximum value of the performance shares is limited to a share price of SEK 70 per share. If the value of the performance shares exceeds this maximum value, the number of performance shares is reduced proportionally.

Cost effects

The programme is an equity-settled programme according to the criteria of IFRS 2. Using the Black–Scholes valuation model, the fair value of the share rights on the allotment date has been estimated at SEK 3.47 per share right. The inputs used in the valuation are summarised in the table below.

	Group
Fair value and assumptions regarding share rights	**At the time of allocation**
Share price (SEK)	13.22
Share target price (SEK)	20-70
Expected volatility (%)	39.00
Expected maturity (years)	3.00
Risk-free interest (%)	2.67
Fair value	**3.47**

In 2024, the Group recognised a cost for the share savings programme of SEK 1.3 million (0.7).

Cash-settled share-based remuneration (synthetic options)

In 2021, an incentive programme was introduced for employees in the Nordic Nest sub-Group. Participants in the programme hold synthetic options that are settled in cash depending on the value of the shares in Nordic Nest Group AB. Accordingly, the programme is classified as cash-settled share-based remuneration under IFRS 2. Unlike the Group's outstanding LTIP programmes (see above), synthetic options do not entitle the holders to subscribe for shares in BHG Group AB. Nor do synthetic options give rise to dilution.

Subscription price

The subscription price is calculated as 250% of the price per share in Nordic Nest Group AB that was paid when Nordic Nest was acquired, corresponding to a subscription price for the synthetic options of SEK 14,538 per share in Nordic Nest Group AB. The programme commenced on 1 July 2021 and extends for five years from that date.

Cost effects and recognised liability

The Group recognises a liability for synthetic options accumulated over the vesting period. As of 31 December 2024, the carrying amount of the liability was SEK 0.0 million (0.0). In 2024, the Group expensed a total of SEK 0.0 million (0.0) for the synthetic options.

Holders

The programme is targeted at key employees in the Nordic Nest sub-Group. A total of 63 employees in the Nordic Nest sub-Group are participating in the programme. The table below shows the number of synthetic options outstanding. Each option entitles the holder to a cash payment based on the value of one share in Nordic Nest Group AB.

	Group			
Outstanding warrants	**2024**	**Weighted redemption price**	**2023**	**Weighted redemption price**
Outstanding as of 1 January	3,131	14,538	3,131	14,538
Granted during the period	-	-	-	-
Outstanding as of 31 December	**3,131**	**14,538**	**3,131**	**14,538**

Valuation

A valuation of the synthetic options was performed on the allotment date and the balance-sheet date using the Black-Scholes pricing model. The expected volatility is based on historical volatility for a group of comparable listed companies. In a corresponding manner, the share price used in the valuation was based on the share prices for a group of comparable listed companies. The table below shows the assumptions used for the valuation of the synthetic options.

NOTE 9 AVERAGE NUMBER OF EMPLOYEES

	2024		2023	
Group	**Men**	**Women**	**Men**	**Women**
Sweden	662	519	756	610
Denmark	1	2	17	15
Finland	99	56	93	108
Norway	3	3	22	31
Germany	-	-	-	-
Bulgaria	17	7	19	5
Estonia	13	6	13	6
Greece	6	4	6	5
Croatia	37	9	34	7
Hong Kong	-	-	-	-
Hungary	19	10	20	10
Lithuania	56	69	60	67
Latvia	13	9	11	7
Romania	36	10	39	13
Slovenia	17	8	18	9
Total	**979**	**712**	**1,108**	**893**
Total average no. of employees		**1,691**		**2,001**

	2024		2023	
Parent company	**Men**	**Women**	**Men**	**Women**
Sweden	11	3	12	5
Total	11	3	12	5
Total average no. of employees		**14**		**17**

Gender balance among senior executives

	2024		2023	
	Men	Women	Men	Women
Group	%	%	%	%
Board of Directors	97	3	97	3
CEO and other executives	90	10	89	11
Total	**95**	**5**	**95**	**5**

	2024		2023	
	Men	Women	Men	Women
Parent company	%	%	%	%
Board of Directors	50	50	60	40
CEO and other executives	100	-	100	-
Total	**63**	**38**	**83**	**17**

NOTE 10 OTHER OPERATING REVENUE AND OPERATING EXPENSES

	Group		Parent company	
(SEKm)	2024	2023	2024	2023
Other operating income				
Gain from sale of fixed assets	16.7	8.5	-	-
Gain from sale of operation	12.1	1.6	-	-
Exchange gains on operating receivables/ liabilities	-	3.5	-	-
Change in fair value of FX forwards	1.8	-	-	-
Insurance compensation	0.3	0.1	-	-
Other operating income	1.9	7.0	-	-
	32.7	**20.6**	**-**	**-**
Other operating expenses				
Loss from sale of fixed assets	-14.5	-76.1	-	-
Loss from sale of operation	-	-1,118.7	-	-
Exchange losses on operating receivables/ liablities	-0.8	-	-	-
Change in fair value of FX forwards	-	-1.6	-	-
	-15.3	**-1,196.4**	**-**	**-**
	17.4	**-1,175.8**	**-**	**-**

Losses on the sale of operations in 2023 mainly relate to the sale of AH-Trading GmbH (SEK -855.0 million) and My Home Møbler A/S (SEK -262.7 million).

NOTE 11 FINANCIAL ITEMS

	Group		Parent company	
(SEKm)	2024	2023	2024	2023
Financial income				
Interest income	15.4	23.8	1.6	2.0
Interest income, Group	-	-	89.9	88.8
Revalued contingent purchase price	-	2.5	-	-
Other financial income	3.1	2.8	0.0	-
	18.6	**29.0**	**91.5**	**90.8**
Financial expenses				
Interest expense, credit institutions	-144.3	-157.1	-129.8	-149.9
Interest expense, leased assets	-18.7	-24.5	-	-
Interest expense, Group	-	-	-18.0	-0.7
Interest expense, other	-22.8	-12.7	-0.6	-
Revalued contingent purchase price	-	-9.5	-	-
Net exchange differences	-10.7	-7.7	-0.3	-0.4
Other financial expenses	-16.0	-36.7	-12.4	-32.5
	-212.5	**-248.2**	**-161.1**	**-183.4**
	-193.9	**-219.1**	**-69.6**	**-92.6**

NOTE 12 TAXES

Tax recognised in profit or loss

	Group		Parent company	
(SEKm)	2024	2023	2024	2023
Current tax expense				
Current tax expense	-14.3	-28.9	2.7	-6.5
Adjustment of prior year income tax	0.4	1.5	0.0	-
	-13.9	**-27.4**	**2.7**	**-6.5**
Deferred tax				
Deferred tax on temporary differences	26.8	27.7	0.2	-0.1
Deferred tax income in capitalized taxable value of loss carry-forwards for the year	-13.2	52.8	-	-
Deferred tax expense in loss carry-forwards used during the year	-3.0	-2.3	-	-
	10.6	**78.3**	**0.2**	**-0.1**
	-3.3	**50.9**	**2.9**	**-6.5**

(SEKm)	Group 2024	%	2023	%
Profit before tax	-636.8		-1,593.3	
Tax as per applicable tax rate for parent company	131.2	-20.6	328.2	-20.6
Effect of other tax rates for foreign subsidiaries	4.1	-0.6	12.5	-0.8
Effect of global minimum top-up tax (Pillar II)	-0.1	0.0	-	-
Non-taxable income	3.2	-0.5	3.8	-0.2
included in profit before tax	-0.8	0.1	-1.7	0.1
Non-deductible expenses	-113.5	17.8	-289.4	18.2
Loss carry-forwards not capitalised	-17.2	2.7	-4.0	0.3
Adjustment of prior year income tax	0.4	-0.1	1.5	-0.1
Effects of changes in tax rate	-	-	0.0	-0.0
Effective tax/tax rate	**-3.3**	**0.5**	**50.9**	**-3.2**

Non-deductible expenses for 2024 mainly relate to impairment of the disposal group, while non-deductible expenses in the comparative period pertained primarily to capital losses on the sale of AH-Trading GmbH and My Home Møbler A/S.

(SEKm)	Parent company 2024	%	2023	%
Profit before tax	-85.1		-62.4	
Tax as per applicable tax rate for parent company	17.5	-20.6	12.9	-20.6
Non-taxable income	0.0	-0.0	0.1	-0.1
Taxable income not included in profit before tax	-	-	-0.2	0.4
Non-deductible expenses	-14.7	17.2	-19.2	30.7
Adjustment of prior year income tax	0.0	-0.0	0.0	-0.0
Effective tax/tax rate	**2.9**	**-3.4**	**-6.5**	**10.4**

Tax recognised in equity

	Group		Parent company	
(SEKm)	2024	2023	2024	2023
Tax on transaction cost for new share issue	-	0.2	-	0.2
Total	**-**	**0.2**	**-**	**0.2**

Deferred tax asset/liability

	Group		Parent company	
(SEKm)	2024	2023	2024	2023
Deferred tax asset				
Loss carry-forwards	46.1	55.1	-	-
Temporary differences	30.0	37.0	0.2	0.0
Other	0.0	0.1	-	-
	76.1	**92.3**	**0.2**	**0.0**
Deferred tax liability				
Equipment, tools and installations	-	1.2	-	-
Intellectual property rights	418.3	443.5	-	-
Untaxed reserves	31.7	34.3	-	-
	450.0	**479.0**	**-**	**-**
Deferred tax, net	**-373.8**	**-386.7**	**0.2**	**0.0**

The Group has loss carryforwards of SEK 227.2 million (21.9), for which no deferred tax assets were recognised. Of this amount, SEK 3.4 million falls due in 2025, SEK 2.8 million in 2026, SEK 6.0 million in 2027, SEK 3.5 million in 2028, and SEK 0.9 million in 2029.Other loss carryforwards for which no deferred tax assets were recognised have no expiry date.

Deferred tax assets relating to lease liabilities amounted to SEK 127.9 million (146.0) as of 31 December 2024, while deferred tax liabilities relating to right-of-use assets amounted to SEK -112.5 million (-124.0) as of 31 December 2024. In the statement of financial position, the items are recognised net as a deferred tax asset of SEK 15.4 million (22.0).

Global minimum tax (Pillar Two)

BHG Group is subject to the top-up tax rules based on the OECD Model Rules for global minimum tax (Pillar Two). The top-up tax legislation entered into force as of 1 January 2024 in Sweden, where the Parent Company has its registered office. In short, the top-up tax rules mean that the Group is liable to pay a top-up tax on income that is not subject to an effective tax rate of 15%. Specific rules apply for how this effective tax is to be calculated. The Group has calculated its top-up tax for 2024 at SEK -0.1 million, which has been recognised as a current tax expense. The Group has applied a temporary mandatory exemption from recognising deferred tax attributable to the top-up tax and therefore recognises top-up tax as a current tax expense in the period in which it arises.

NOTE 13 EARNINGS PER SHARE

(SEKm)	Before dilution 2024	Before dilution 2023	After dilution 2024	After dilution 2023
Earnings per share (SEK)	-3.79	-8.73	-3.79	-8.73
The amounts used in numerators and denominators are shown below:				
Profit for the year attributable to parent company shareholders	-678.8	-1,564.7	-678.8	-1,564.7
Profit for the year attributable to parent company shareholders of ordinary shares	**-678.8**	**-1,564.7**	**-678.8**	**-1,564.7**
Average number of shares before dilution	179.2	179.2	179.2	179.2
Average number of shares after dilution	**179.2**	**179.2**	**179.2**	**179.2**
Earnings per share (SEK)	**-3.79**	**-8.73**	**-3.79**	**-8.73**

NOTE 14 INTANGIBLE FIXED ASSETS

Internally developed intangible assets

Capitalized expenditures for development (SEKm)	Group 2024	Group 2023	Parent company 2024	Parent company 2023
Opening accumulated cost	**519.6**	**589.5**	**1.2**	**1.2**
Investments	116.2	146.9	-	-
Reclassifications	-0.8	-1.4	-	-
Divestments	-23.6	-194.0	-	-
Reclassification to assets held for sale	-30.2	-	-	-
Diverstments of subsidiaries	-	-21.6	-	-
Translation difference	5.2	0.3	-	-
Closing accumulated cost	**586.2**	**519.6**	**1.2**	**1.2**
Opening accumulated amortization	**-244.5**	**-291.4**	**-0.7**	**-0.5**
Amortization for the year	-89.7	-90.7	-0.2	-0.2
Reclassifications	21.5	128.6	-	-
Reclassification to assets held for sale	11.3	-	-	-
Diverstments of subsidiaries	-	9.3	-	-
Translation difference	-2.5	-0.2	-	-
Closing accumulated amortization	**-304.0**	**-244.5**	**-0.9**	**-0.7**
Carrying amounts	**282.2**	**275.0**	**0.3**	**0.5**

The item pertains to costs for the Group's online platform.

Both internal and external costs have been capitalised. No borrowing costs have been capitalised because the projects are short term and thus do not satisfy the criteria for capitalisation.

Acquired intangible assets

Trademarks (SEKm)	Group 2024	Group 2023	Parent company 2024	Parent company 2023
Opening accumulated cost	**1,640.7**	**1,876.3**	**-**	**-**
Investments through acqusition	14.1	-	-	-
Write down Disposal Group	-35.1	-	-	-
Investments	20.0	-	-	-
Diverstments of subsidiaries	-9.0	-242.0	-	-
Translation difference	2.6	6.4	-	-
Discontinued operations	-4.1	-	-	-
Closing accumulated cost	**1,629.1**	**1,640.7**	**-**	**-**
Carrying amounts	**1,629.1**	**1,640.7**	**-**	**-**

The item pertains to brands identified as separate assets in connection with the Group's business combinations. For information about business combinations carried out during the year or the comparison year, see Note 5.

Customer relationships (SEKm)	Group 2024	Group 2023	Parent company 2024	Parent company 2023
Opening accumulated cost	**953.5**	**1,019.3**	**-**	**-**
Investments	10.0	-	-	-
Write down Disposal Group	-1.2	-	-	-
Diverstments of subsidiaries	-5.4	-66.9	-	-
Translation difference	0.5	1.1	-	-
Closing accumulated cost	**957.4**	**953.5**	**-**	**-**
Opening accumulated amortization	**-435.8**	**-336.9**	**-**	**-**
Amortization for the year	-94.4	-99.5	-	-
Write down Disposal Group	0.5	-	-	-
Translation difference	-0.3	0.7	-	-
Closing accumulated amortization	**-530.1**	**-435.8**	**-**	**-**
Carrying amounts	**427.4**	**517.8**	**-**	**-**

The item pertains to customer relationships arising from the Group's business combinations. For information about business combinations carried out during the year or the comparison year, see Note 5.

Goodwill (SEKm)	Group 2024	Group 2023	Parent company 2024	Parent company 2023
Opening accumulated cost	**5,899.7**	**6,480.9**	**-**	**-**
Investments through acqusitions	93.1	-	-	-
Diverstments of subsidiaries	-49.8	-594.1	-	-
Write down Disposal Group	-318.2	-	-	-
Translation difference	16.4	12.9	-	-
Closing accumulated cost	**5,641.1**	**5,899.7**	**-**	**-**
Carrying amounts	**5,641.1**	**5,899.7**	**-**	**-**

The item pertains to goodwill arising from the Group's business combinations. For information about business combinations carried out during the year or the comparison year, see Note 5.

Other intangible non-current assets (SEKm)	Group 2024	Group 2023	Parent company 2024	Parent company 2023
Opening accumulated cost	**18.1**	**47.4**	**0.2**	**0.2**
Investments	0.2	0.1	-	-
Divestments	-0.1	-2.5	-	-
Reclassification to assets held for sale	-0.8	-	-	-
Diverstments of subsidiaries	-	-27.8	-	-
Translation difference	0.1	0.8	-	-
Closing accumulated cost	**17.5**	**18.1**	**0.2**	**0.2**
Opening accumulated amortization	**-14.8**	**-25.0**	**-0.2**	**-0.2**
Amortization for the year	-1.9	-6.1	-0.0	-0.0
Divestments	0.0	2.4	-	-
Reclassification to assets held for sale	0.4	-	-	-
Diverstments of subsidiaries	-	14.1	-	-
Translation difference	-0.1	-0.3	-	-
Closing accumulated amortization	**-16.4**	**-14.8**	**-0.2**	**-0.2**
Carrying amounts	**1.1**	**3.3**	**0.0**	**0.0**

The item includes costs for registering and establishing the Group's Internet domains. Only external costs have been capitalised. No borrowing costs have been capitalised.

Impairment testing of goodwill

Impairment testing of goodwill and brands is conducted annually, and at any time indications of a value decline are identified. The Group's cash generating units match the identified operating segments: Home Improvement, Value Home, and Premium Living.

Goodwill and trademark per cash-generating unit (SEKm)	Goodwill 2024	Goodwill 2023	Trademark 2024	Trademark 2023
Home Improvement	2,535.6	2,891.4	838.1	881.0
Value Home	1,537.1	1,478.0	393.2	381.9
Premium Living	1,568.3	1,530.3	397.8	377.8
	5,641.1	**5,899.7**	**1,629.1**	**1,640.7**

Impairment testing for cash generating units containing goodwill

Impairment testing of goodwill is conducted annually, and at any time indications of a value decline are identified. When testing, the assets are grouped in cash generating units.

When testing, carrying amounts of cash generating units are compared with recoverable amounts. The recoverable amount of the respective cash generating units is determined by discounting future cash flows in order to determine the value in use. The calculation of future cash flows for the first five years are based on the strategic plans adopted by the Board, which in turn are based on assumptions and judgements that are mainly formulated by executive management.

The important assumptions in the five-year forecast are organic growth, profit margin and market growth (total market and online market). Assumptions regarding profit margins in the three cash generating units are based on the estimated development in the particular product segments in respect of sales mix and operating margin trend, with current market prices and costs plus real development and cost inflation as the point of departure.

Assumptions are based on both historical experience and current market information. The recoverable amounts of all segments are based on the same important assumptions.

Growth assumptions

The market is defined as the online market in the geographic markets where the Group operates with respect to furniture, home furnishings and building materials. The growth assumptions in the forecast period amount to a maximum of 7.0%. Expected sustainable future cash flow for the period beyond five years is extrapolated with assumed sustainable growth of 2.0% (which is established on the basis of assumed nominal GDP growth in the relevant markets).

Discount interest rate

The discount interest rate used in the present value calculation of expected future cash flows is the current weighted average cost of capital (WACC) established for each operating segment based on the Capital Asset Pricing Model (CAPM), and the assumed long-term capital structure and tax rate, which is currently 10.5% (10.4), or 12.4% (12.3) before tax.

Sensitivity analysis
Management's assessment is that reasonable possible changes in certain important assumptions that form the basis for establishing the recoverable amounts would result in an impairment requirement for goodwill in Home Improvement and in Value Home, see below.

Home Improvement
As of 31 December 2024, the recoverable amount for Home Improvement exceeded the carrying amount by SEK 390.9 million (571.3). This means that a reasonable possible change in the discount rate could lead to impairment of goodwill in Home Improvement. If the discount rate after tax had been 11.3% instead of 10.5%, the recoverable amount would have been equal to the carrying amount. A 1% increase in the discount rate to 11.5% would have resulted in impairment of goodwill of SEK -66.5 million. No reasonable possible changes in other important assumptions would be expected to result in impairment of goodwill in Home Improvement.

Value Home
As of the balance-sheet date, the recoverable amount for Value Home exceeded the carrying amount by SEK 55.8 million (316.3). This means that reasonable possible changes in the discount rate, the operating margin during the five-year forecast period and the growth assumption after the five-year forecast period could result in an impairment requirement. The table below shows the values used in the calculations of value in use for Value Home and the changes that would result in the recoverable amount being equal to the carrying amount (meaning the headroom being equal to zero). It also shows the impairment that would arise as a result of a reasonable possible change in each variable.

Variable	Value used	Value resulting in recoverable amount equal to carrying amount	Reasonable possible change in assumption	Impairment from reasonable possible change in assumption
Discount interest rate (after tax)	10.5%	10.7%	+1%	SEK -159.1 million
Operating margin during forecast period	6.8%	6.0%	-2 p.p	SEK -76.8 million
Growth after forecast period	2%	1.7%	-1%	SEK -102.6 million

No reasonable possible changes in other important assumptions would be expected to result in impairment in Value Home.

Premium Living
Management's assessment is that no reasonable possible changes in important assumptions for the calculation of the recoverable amount of Premium Living could result in impairment of goodwill in this segment.

Impairment testing for cash generating units containing brands
For information on the impairment testing of these cash generating units, refer to the above information on goodwill testing. In addition to being included in the cash generating units tested above, the brands have been tested individually, based on a royalty factor and forecasts of future net sales. The forecasts for the five-year period ahead, the long-term growth rate and the discount interest rate have been conducted in the same way and amount to the same total as that shown above.

Indefinite useful lives
The recognised brands have an indefinite useful life because they pertain to well-known market brands that the Group intends to retain and further develop and that thus may be expected to generate cash flows during an indefinite period ahead.

NOTE 15 TANGIBLE FIXED ASSETS

	Group		Parent company	
Equipment	**2024**	**2023**	**2024**	**2023**
Opening accumulated cost	**154.4**	**184.8**	**-**	**-**
Investments through acquisitions	5.4	-	-	-
Investments	12.2	22.5	-	-
Reclassification	0.8	0.8	-	-
Divestments	-18.8	-27.9	-	-
Reclassification to assets held for sale	-2.3	-	-	-
Diverstments of subsidiaries	-1.4	-26.2	-	-
Translation difference	1.1	0.5	-	-
Closing accumulated cost	**151.4**	**154.4**	**-**	**-**
Opening accumulated depreciation	**-81.3**	**-85.3**	**-**	**-**
Depreciation through acquisitions	-3.5	-	-	-
Depreciation for the year	-24.8	-29.8	-	-
Divestments	12.5	19.2	-	-
Reclassification to assets held for sale	1.5	-	-	-
Diverstments of subsidiaries	0.8	14.8	-	-
Translation difference	-0.6	-0.1	-	-
Closing accumulated depreciation	**-95.3**	**-81.3**	**-**	**-**
Opening accumulated impairment	**-**	**-**	**-**	**-**
Impairment for the year	-0.1	-	-	-
Closing accumulated impairment	**-0.1**	**-**	**-**	**-**
Carrying amounts	**55.9**	**73.1**	**-**	**-**

Buildings and land	Group 2024	Group 2023	Parent company 2024	Parent company 2023
Opening accumulated cost	**26.0**	**25.9**	**-**	**-**
Investments	0.4	0.1	-	-
Closing accumulated cost	**26.4**	**26.0**	**-**	**-**
Opening accumulated depreciation	**-5.2**	**-4.4**	**-**	**-**
Depreciation for the year	-0.9	-0.8	-	-
Closing accumulated depreciation	**-6.1**	**-5.2**	**-**	**-**
Carrying amounts	**20.3**	**20.8**	**-**	**-**

Leasehold improvements	Group 2024	Group 2023	Parent company 2024	Parent company 2023
Opening accumulated cost	**106.3**	**112.2**	**-**	**-**
Investments	6.1	15.3	-	-
Reclassification	-	0.7	-	-
Divestments	-16.4	-12.8	-	-
Diverstments of subsidiaries	-	-9.1	-	-
Translation difference	1.0	0.2	-	-
Closing accumulated cost	**97.1**	**106.3**	**-**	**-**
Opening accumulated depreciation	**-54.9**	**-55.7**	**-**	**-**
Depreciation for the year	-9.2	-13.1	-	-
Divestments	3.6	9.6	-	-
Diverstments of subsidiaries	-	4.3	-	-
Translation difference	-0.6	0.0	-	-
Closing accumulated depreciation	**-61.1**	**-54.9**	**-**	**-**
Opening accumulated impairment	**-**	**-**	**-**	**-**
Impairment for the year	-3.7	-	-	-
Closing accumulated impairment	**-3.7**	**-**	**-**	**-**
Carrying amounts	**32.3**	**51.5**	**-**	**-**

IFRS 16 Properties	Group 2024	Group 2023
Opening accumulated cost	**1,352.9**	**1,539.8**
New leasing contract	226.1	246.5
End of contract	-83.2	-212.0
Write down of contract	-189.5	-223.0
Reclassification to assets held for sale	-28.8	-
Translation difference	5.5	1.6
Closing accumulated cost	**1,283.0**	**1,352.9**
Opening accumulated depreciation	**-738.1**	**-639.0**
Depreciation for the year	-222.6	-344.4
End of contract	79.2	133.8
Write down of contract	133.5	110.7
Reclassification to assets held for sale	24.8	-
Translation difference	-4.2	0.8
Closing accumulated depreciation	**-727.4**	**-738.1**
Carrying amounts	**555.6**	**614.8**

IFRS 16 Vehicles	Group 2024	Group 2023
Opening accumulated cost	**1.4**	**2.2**
End of contract	-1.4	-0.9
Closing accumulated cost	**-**	**1.4**
Opening accumulated depreciation	**-1.3**	**-1.4**
Depreciation for the year	-0.1	-0.7
End of contract	1.4	0.9
Closing accumulated depreciation	**-**	**-1.3**
Carrying amounts	**-**	**0.1**

IFRS 16 Other	Group 2024	Group 2023
Opening accumulated cost	**0.9**	**2.3**
End of contract	-0.7	-1.5
Closing accumulated cost	**0.1**	**0.9**
Opening accumulated depreciation	**-0.7**	**-1.8**
Depreciation for the year	-0.2	-0.4
End of contract	0.7	1.5
Closing accumulated depreciation	**-0.1**	**-0.7**
Carrying amounts	**0.0**	**0.2**

NOTE 16 PARTICIPATIONS IN GROUP COMPANIES

	Corporate ID number	Registered office	No. of shares	Share capital (%)	Voting rights (%)	Carrying amount Dec 31, 2024	Carrying amount Dec 31, 2023
BHG Group LTIP AB	559309-6836	Malmö	25,000	100.0	100.0	0.0	0.0
Bygghemma Second Holding AB	559077-0771	Malmö	50,000	100.0	100.0	3,678.2	3,678.2
						3,678.3	**3,678.3**

Group	Corporate ID number	Registered office	Owership (%)
BHG Group LTIP AB	**559309-6836**	**Malmö**	**100.0**
Bygghemma Second Holding AB	**559077-0771**	**Malmö**	**100.0**
Bygghemma Group Nordic AB	556800-9798	Malmö	100.0
Bygghemma Sverige AB	556689-4282	Malmö	100.0
Bygghjemme Norge AS	993 392 375	Nøtterøy	100.0
Camola ApS	32342396	Frederica	100.0
VVEX Group AB	559365-1077	Sollentuna	83.6
Vitvaruexperten.com Nordic AB	559010-7792	Sollentuna	100.0
Bygghemma Finland Holding AB	559023-3853	Malmö	100.0
BHG Group Finland Oy	1870108-3	Riihimäki	100.0
Handelmark OÜ	11607700	Talinn	100.0
IP-Agency Finland Oy	0993163-7	Juva	70.0
Bygghemma Nordic AB	559496-2747	Malmö	100.0
Arredo Holding AB	556872-6367	Malmö	100.0
Golvpoolen Arredo AB	556245-2994	Malmö	100.0
Gulv og Fliseeksperten ApS	38113844	København	100.0
Polarpumpen AB	556749-0262	Göteborg	100.0
Svensk Installationspartner AB	556842-1076	Göteborg	100.0
Nordiska Fönster i Ängelholm AB	556810-2940	Ängelholm	100.0
Lindström & Sondén AB	556762-7392	Ängelholm	100.0
Hafa Bathroom Group AB	556005-1491	Halmstad	94.4
Hafa Bathroom Group Oy	1813764-60	Helsingfors	100.0
Noro AB	556674-1673	Halmstad	100.0
Noro Norge AS	985254451	Kråkerøy	100.0
HYMA Skog & Trädgård AB	559170-5206	Hyltebruk	97.5
Hylte Jakt & Lantman AB	556954-8950	Hyltebruk	100.0
HJL Fastigheter AB	559062-0083	Hyltebruk	100.0
HJLIT & Development AB	556281-2247	Hyltebruk	100.0
Navitek Oy	3132410-4	Jakobstad	100.0
Drift & Underhållsteknik i Mönsterås AB	556395-8809	Mönsterås	100.0
Maskincenter Blekinge Holding AB	556995-2467	Mörrum	100.0
Maskinklippet AB	556554-9937	Mörrum	100.0
Maskincenter Blekinge Fastigheter AB	556997-3612	Mörrum	100.0
Maskincenter Blekinge AB	559031-8167	Mörrum	100.0
Dogger AB	556094-3085	Norrtälje	100.0
Inredhemma Sverige AB	556913-0403	Malmö	100.0
Home Furnishing Nordic AB	556780-9685	Helsingborg	100.0

Group	Corporate ID number	Registered office	Owership (%)
TM Finland Oy	2662443-6	Helsinki	100.0
Home Furnishing Norway AS	825 555 862	Jessheim	100.0
Lampgallerian i Växjö AB	559042-2589	Växjö	100.0
Sleepo AB	556857-0146	Stockholm	100.0
Nordic Nest Group AB	559021-1586	Kalmar	97.5
Nordic Nest AB	556628-1597	Kalmar	100.0
Nordic Nest Trading Limited	13620602	London	100.0
E.Svenssons i Lamhult AB	556075-2577	Lammhult	100.0
Hemfint Group AB	559478-2533	Haninge	67.5
Arc E-commerce AB	556945-4274	Haninge	100.0
Hemfint i Kristianstad AB	556917-7305	Kristianstad	100.0
Trendrum AB	556719-1894	Kristianstad	100.0
Inredhemma Danmark ApS	38575945	København	100.0
Inredhemma Europa AB	38575945	Malmö	100.0
Furniture1 UAB	304742023	Vilnius	30.0
Baldai1 UAB	302935803	Vilnius	100.0
Eurotrade1 SIA	40103665706	Riga	100.0
ETR1 Group OU	12741670	Tallinn	100.0
Furniture1 KFT	01-09-270625	Budapest	100.0
Furniture1 DOO	33412662987	Zagreb	100.0
Eurotrade1 DOO	7104456000	Ljubljana	100.0
Mebeli24 OOD	204743793	Sofia	100.0
Furniture1 Hellas IKE	801003026	Aspropyrgos	100.0
Mobilier1 Concept SLR	39413592	Bukarest	100.0

	Parent company	
(SEKm)	2024	2023
Opening accumulated cost	**3,678.3**	**3,678.3**
Closing accumulated cost	**3,678.3**	**3,678.3**

NOTE 17 INVENTORIES

In conjunction with the consolidation of warehouse space, BHG carried out a comprehensive review of its inventory and, as a consequence, made the assessment that certain goods will not be sold at the current rate due to their limited service life or warranty period. An impairment of inventory of SEK 99.0 million was therefore implemented during the year, which together with a change in the provision for obsolescence of SEK -22.6 million (-190.3) is included in the cost of goods sold for the Group.

NOTE 18 ACCOUNTS RECEIVABLE

Accounts receivable were recognised after taking into account credit losses arising in the Group during the year of SEK -8.0 million (-11.3). The credit losses pertain to a number of minor accounts. See also Note 28.

	Group		Parent company	
Credit exposure (SEKm)	2024	2023	2024	2023
Accounts receivable not overdue or impaired	99.2	173.4	-	-
Accounts receivable overdue but not impaired	47.7	22.7	-	-
Accounts receivable impaired	22.0	22.7	-	-
Provision for bad debts	-16.7	-18.9	-	-
	152.2	**199.9**	**-**	**-**

No single customer in the Group accounts for more than 10% of the Group's accounts receivable. For additional information on credit risks, see Note 28.

The company's accounts receivable are primarily denominated in SEK. The assessment is that the accounts receivable are not exposed to any material currency exposure.

	Group		
2024 (SEKm)	Weighted average loss (%)	Reported value, gross	Loss of reservs
Not overdue	-	99.2	
Overdue < 30 days	-1.7	27.0	-0.5
Overdue 30 - 90 days	-27.5	12.0	-3.3
Overdue > 90 days	-42.3	30.6	-12.9
		168.9	**-16.7**

	Group		Parent company	
Provision for bad debts (SEKm)	2024	2023	2024	2023
Opening balance, 1 January	**-18.9**	**-14.9**	**-**	**-**
Additional provisions	-3.8	-10.0	-	-
Reversed provisions	3.5	3.1	-	-
Actual losses	2.6	2.7	-	-
Translation difference	-0.1	0.2	-	-
Closing balance, 31 December	**-16.7**	**-18.9**	**-**	**-**

NOTE 19 PREPAID EXPENSES AND ACCRUED INCOME

	Group		Parent company	
(SEKm)	2024	2023	2024	2023
Prepaid rent	29.3	12.4	0.3	0.1
Prepaid insurance expenses	2.5	2.1	0.4	-
Prepaid personnel expenses	0.1	0.7	-	0.4
Accrued supplier bonus	131.0	137.3	-	-
Accrued income	7.2	7.5	-	-
Refund asset	15.7	13.5	-	-
Other	50.4	54.1	0.7	1.5
	236.2	**227.4**	**1.4**	**2.0**

NOTE 20 EQUITY

As of 31 December 2024, the share capital consisted of 179,233,563 shares (179,233,563). Each share has a quotient value of SEK 0.03.

There were not any changes to the number of shares outstanding in 2024

	Ordinary shares	
Issued shares (numbers)	**2024**	**2023**
Issued shares at the beginning of the period	**179,233,563**	**175,261,466**
Cash issue	-	3,972,097
	179,233,563	**179,233,563**

Other capital contributions

The premium reserve arises when shares are issued at a premium, meaning that the shares are paid for at a price that exceeds the quotient value.

Translation reserve

The translation reserve encompasses all exchange-rate differences that arise when translating income statements and balance sheets to SEK in the consolidated financial statements.

	Group	
(SEKm)	2024	2023
Translation difference at the beginning of the period	**45.2**	**125.1**
Translation difference, net efter tax	31.0	-79.8
period	**76.3**	**45.2**

Appropriation of profits

BHG Group AB

559077-0763

Appropriation of profits (SEK)	
At the disposal of the annual general meeting	
Retained earnings	83,504,931
Share premium reserve	6,563,455,683
Profit/loss for the year	-82,258,939
	6,564,701,675
The Board of Directors proposes	
to be carried forward	1,245,992
whereof share premium reserve	6,563,455,683
	6,564,701,675

NOTE 21 UNTAXED RESERVES

	Parent company	
(SEKm)	2024	2023
Tax allocation reserve opening balance	-	20.0
Reversed provision during the year	-	-20.0
Tax allocation reserve closing balance	**-**	**-**

NOTE 22 LIABILITIES TO CREDIT INSTITUTIONS

	Group		Parent company	
(SEKm)	2024	2023	2024	2023
Loans from banks	1,496.2	1,495.5	1,496.2	1,495.5
	1,496.2	**1,495.5**	**1,496.2**	**1,495.5**
Liabilities due for payment later than five years after the closing date	-	-	-	-

During 2024, the Group raised new loans of SEK 500.0 million (0.0) and repaid SEK 500.0 million (503.1).

Change in liabilities in financing activities

		Cash flows		Changes in non-cash items			
2024 (SEKm)	Opening balance	Loans raised	Amortization of loans	Acquisitions /disposals/new lease contracts	Exchange rate difference	Accruals	Closing balance
Credit facilities	1,500.0	500.0	-500.0	-	-	-	1,500.0
Lease liabilities	687.1	-	-284.9	226.1	-20.9	-	607.4
Transaction expenses	-4.5	-	-	-	-	0.7	-3.8
Total liabilities	**2,182.6**	**500.0**	**-784.9**	**226.1**	**-20.9**	**0.7**	**2,103.6**

		Cash flows		Changes in non-cash items			
2023 (SEKm)	Opening balance	Loans raised	Amortization of loans	Acquisitions /new lease contracts	Exchange rate difference	Accruals	Closing balance
Credit facilities	2,021.0	-	-503.1	-18.6	0.7	-	1,500.0
Lease liabilities	877.7	-	-353.6	246.5	-83.5	-	687.1
Transaction expenses	-11.8	-	-	-	-	7.2	-4.5
Total liabilities	**2,886.9**	**-**	**-856.7**	**227.9**	**-82.8**	**7.2**	**2,182.6**

NOTE 23 OTHER LIABILITIES

	Group		Parent company	
(SEKm)	2024	2023	2024	2023
Liabilities under "Letter of Credit" arrangements	60.6	64.8	-	-
	60.6	**64.8**	**-**	**-**

Supply chain financing agreement – letter of credit

The Group has an agreement with a bank under which a letter of credit is issued to suppliers when BHG places an order for goods from them. The letter of credit states that the supplier is entitled to receive payment from the bank immediately upon delivery of the goods to BHG. Accordingly, the supplier can use the letter of credit as collateral for its own borrowing and can thus obtain the working capital required to deliver the goods ordered by BHG.

BHG in turn has 90-day credit terms from the bank, which run from the time it pays the supplier. In the markets where the letter of credit arrangement is used, the alternative in many cases is not that BHG obtains credit directly from the supplier, but rather that the Group pays all or part of the amount in advance and the remainder immediately upon delivery of the goods.

The Group's liabilities under the letter of credit arrangement carry interest at the bank's borrowing rate plus a margin. The Group has not pledged any assets for the liabilities.

Since the Group only incurs a liability to the financial counterparty when it has paid the supplier, the suppliers have received payment for the full amount that the Group recognises as a liability under the letter of credit arrangement in the table above.

BHG's payment of liabilities to the financial counterparty is recognised in operating activities in the statement of cash flows since the liabilities are part of the Group's normal operating cycle and the payments, by nature, are operating activities as they pertain to payments for purchased goods. Payments made by the bank to suppliers are not recognised in the consolidated statement of cash flows. The liabilities under the letter of credit arrangement are primarily denominated in USD and CNY, which in turn gives rise to non-cash exchange-rate differences.

NOTE 24 OTHER PROVISIONS

	Group		Parent company	
Other provisions (SEKm)	**2024**	**2023**	**2024**	**2023**
Provisions warranties	9.2	11.8	-	-
Provisions pension (endowment insurance)	-	-	-	-
Provision for restructuring	9.8	10.8	-	-
Other provisions	10.0	5.4	1.0	0.2
	29.0	**28.0**	**1.0**	**0.2**

NOTE 25 ACQUISITION-RELATED INTEREST-BEARING LIABILITIES

Acquisition-related interest-bearing liabilities pertain to contingent and deferred considerations attributable to the Group's acquisitions and liabilities pertaining to issued put options to non-controlling interests.

Changes in value of contingent and deferred considerations are recognised in profit or loss, while changes in value of liabilities pertaining to issued put options to non-controlling interests are recognised in equity.

			Reported values in equity			Reported values in PnL			Cash flow	
2024 (SEKm)	**Reported values opening balance**	**Added during the period**	**Changes in net present value**	**Interest expenses**	**Translation difference**	**Changes in net present value**	**Interest expenses**	**Translation difference**	**Utilized amounts**	**Reported values closing balance**
Designkupp AS	5.7	-	-	-	-0.0	-5.7	-	-	-	-
Arc E-commerce AB	12.0	-	-	-	-	-	-	-	-12.0	-
Hemfint Kristianstad AB	20.7	-	-20.7	-	-	-	-	-	-	-
Nordic Nest Group AB	98.3	-	-17.0	6.2	-	-	-	-	-9.0	78.6
IP Agency Oy	108.2	-	-83.4	0.1	3.9	-	-	-	-	28.8
Hafa Brands Group AB	11.0	-	-1.0	0.2	-	-	-	-	-	10.2
Hyma Skog & Trädgård AB	103.2	-	-2.6	9.7	-	-	-	-	-	110.4
VVEX Group AB	15.0	-	-	4.7	-	-	-	-	-	19.7
Hemfint Group AB	-	31.4	53.1	15.9	-	-	-	-	-	100.4
	374.2	**31.4**	**-71.6**	**36.8**	**3.9**	**-5.7**	**-**	**-**	**-21.0**	**348.1**

*In the year-end report for 2024, the liability regarding the Group's obligation to purchase the remaining 30% of the shares in IP-Agency was measured at SEK 159.5 million as of 31 December 2024. On 28 February 2025, the Group received the outcome of the arbitration proceedings regarding how much BHG should pay for the shares (see note 32). In light of the result of the arbitration proceedings, the liability is in the annual report instead measured at SEK 28.8 million, corresponding to the 2.5 MEUR that was determined in the arbitration proceedings

The Group's acquisition agreements are structured to align the future incentives to BHG's various sellers, who are often the founders and CEOs of the acquired businesses. This is typically achieved through earnings-based earn-outs and/or the seller retaining a minority share in the acquired business combined with issues of call and put options. Since the amount to be paid depends on the future performance of the acquired company, the Group receives certain compensation if the earnings performance after the acquisition date is weaker than expected to such a degree that the consideration also decreases or is fully eliminated. Of the total liability at the end of the period, SEK 198.6 million (325.3) is recognised as non-current and SEK 280.1 million (48.9) as current.

2023 (SEKm)			Reported values in equity			Reported values in PnL			Cash flow	
	Reported values opening balance	Added during the period	Changes in net present value	Interest expenses	Translation difference	Changes in net present value	Interest expenses	Translation difference	Utilized amounts	Reported values closing balance
Camola ApS	6.7	-	-6.9	-	0.2	-	-	-	-	-
Furniture1 UAB	408.4	-	-436.5	6.3	21.8	-	-	-	-	-
Designkupp AS	6.1	-	-	-	-0.4	-	-	-	-	5.7
Nordiska Fönster i Ängelholm AB	-	-	-	-	-	1.5	-	-	-1.5	-
LampGallerian Växjö AB	39.4	-	3.4	-	-	-	-	-	-42.8	-
Arc E-commerce AB	75.5	-	3.6	3.5	-	-	-	-	-70.6	12.0
Lindström & Sondén AB	11.8	-	-	-	-	-	-	-	-11.8	-
Hemfint Kristianstad AB	20.7	-	-	0.0	-	-	-	-	-	20.7
Nordic Nest Group AB	112.1	-	-20.0	6.2	-	-	-	-	-	98.3
IP Agency Oy	106.1	-	50.5	6.1	1.4	-	-	-	-55.9	108.2
Hafa Brands Group AB	10.5	-	-	0.5	-	-	-	-	-	11.0
E. Svenssons i Lammhult AB	15.6	-	-	-	-	-2.5	-	-	-13.1	-
Hyma Skog & Trädgård AB	358.9	-	-15.0	19.4	-	8.0	-	-	-268.0	103.2
AH-Trading GmbH	56.8	-	-80.5	21.9	1.8	-	-	-	-	-
VVEX Group AB	22.4	-	-12.0	4.7	-	-	-	-	-	15.0
Navitek Oy	3.2	-	-	-	-	-	-	-	-3.2	-
Hemfint Group AB	-	-	-	-	-	-	-	-	-	-
	1,254.2	**-**	**-513.4**	**68.6**	**24.8**	**7.1**	**-**	**-**	**-467.1**	**374.2**

NOTE 26 ACCRUED EXPENSES AND DEFERRED INCOME

	Group		Parent company	
(SEKm)	**2024**	**2023**	**2024**	**2023**
Accrued personnel expenses	195.3	203.9	15.3	14.9
Accrued marketing expenses	10.8	7.1	-	-
Accrued freight expenses	15.7	15.7	-	-
Accrued cost of goods sold	2.6	3.5	-	-
Accrued audit expenses	5.4	5.1	0.8	0.6
Accrued interest expenses	42.9	9.8	20.5	3.1
Accrued rent	4.8	8.2	-	-
Refund liability	25.3	20.4	-	-
Prepaid income	1.4	1.1	-	-
Other	43.9	27.6	8.8	3.4
	348.2	**302.3**	**45.4**	**21.9**

NOTE 27 PLEDGED ASSETS AND CONTINGENT LIABILITIES

	Group		Parent company	
(SEKm)	**2024**	**2023**	**2024**	**2023**
Guarantees to external parties	53.8	100.7	53.8	100.7
Financial guarantees on behalf of subsidiaries	-	-	202.3	163.9
Floating charge	-	-	-	
	53.8	**100.7**	**256.2**	**264.6**

NOTE 28 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Capital management

The Group's objective is to have a good financial position that helps to uphold the confidence of investors, creditors and the market, and provides a basis for further business development at the same time as the long-term return generated for the shareholders is satisfactory. The Group's goal for the capital structure is net debt in relation to pro-forma adjusted EBITDAaL, LTM under 2.5x, subject to flexibility for strategic activities. At 31 December 2024, the ratio of net debt to pro-forma adjusted EBITDA, LTM was 3.3x (4.8x).

Capital is defined as total equity.

	Group	
(SEKm)	**2024**	**2023**
Total equity	5,984.8	6,510.0

During the year, BHG extended and adapted its existing financing agreement to reflect a stronger balance sheet and a new market situation.

The Group's financing agreements contain customary loan terms (covenants).

Financial policy

Through its operations, the Group is exposed to various types of financial risks: market risk, financing and liquidity risk, and credit risk. The Group's financial risk management is centralised to the Parent Company in order to achieve economies of scale and synergies as well as to minimise the management of risks. The Parent Company also functions as the Group's internal bank and is responsible for financing and the financial policy. This includes merging liquidity needs. The financial policy formulated by the Board of Directors includes overall risk management as well as specific areas, such as liquidity risk, interest-rate risk, currency exchange risk, credit risk, insurance risk, use of financial instruments and placement of excess liquidity.

Financing and liquidity risk

Since 2021, the Group has had a financing agreement with SEB and Danske Bank, which together provide credit facilities. Following the adjustment of the financing agreement during the year, the total credit line amounts to SEK 2,300 million. The credit line is divided between a term loan, a revolving credit facility and an overdraft facility, of which SEK 1,500 million (1,500) had been utilised as of 31 December 2024 (refer to the table below):

	2024			
Facility	**Credit limit**	**Utilized amount**	**Unutilized amount**	**Remaining maturity (months)**
Term loan facility	1,000.0	1,000.0	-	17
Revolving credit facility	1,000.0	500.0	500.0	17
Overdraft facility	300.0	-	300.0	17
Total	**2,300.0**	**1,500.0**	**800.0**	**17**

Under the existing loan agreement on the balance-sheet date, the credit facilities mature in May 2026, but the agreement grants BHG an option to extend the agreement until May 2027 at the longest, provided that the creditors approve such an extension. Following the balance-sheet date, the Group received approval from the creditors to exercise the extension option and the facilities will therefore mature in May 2027. The facilities are conditional on the Group fulfilling certain covenants in the form of the EBITDA/debt ratio and interest coverage ratio. However, during the period from 26 April 2024 to 31 March 2026, the interest coverage ratio covenant was replaced by a covenant pertaining to the liquidity commitment. The net debt/EBITDA ratio covenant is tested quarterly, while the liquidity commitment is tested monthly. If the Group fails to meet the covenants, the liabilities incurred under the credit facility fall due for payment. As of the balance-sheet date, the Group had fulfilled the covenants by an ample margin.

The Group also had liabilities regarding earn-outs for completed acquisitions and for put options issued to non-controlling interests. The amount the Group will need to pay for these earn-outs and put options is primarily based on future EBITDA in the acquired companies. Healthy earnings in the acquired companies means increased liabilities in the Group. As of 31 December 2024, the value of the earn-outs and liabilities for put options issued to non-controlling interests totalled SEK 348.1 million (374.2). For measurement of earn-outs and put options issued to non-controlling interests, see below.

Financing and liquidity risk is managed centrally by the Parent Company, which ensures that there is always sufficient cash and cash equivalents available for the Group companies; the Group's liquidity reserve should never fall below 2% of the Group's rolling 12-month sales, which was not the case at any time during the year. The availability of cash and cash equivalents for the subsidiaries is partially secured through the use of a joint cash pool. As of 31 December 2024, the Group had SEK 473.0 million (370.3) in cash and cash equivalents and available loans of SEK 800.0 million (1,800.0). Cash and cash equivalents comprised cash and bank balances as well as cash and cash equivalents in the disposal group.

Liquidity management is important for the Group. The Group monitors its liquidity on a daily basis and forecasts of cash assets are evaluated monthly. The Group endeavours to optimise its access to funds by focusing on its operating activities and through active management of working capital as well as by ensuring that there are necessarily large credit facilities with the Group's banks. The aim of the Group's financial policy is to secure sufficient liquid reserves at every given point in time in order to satisfy the Group companies' operational and strategic financial needs.

Market risks – interest-rate risk

Interest-rate risk refers to the risk that financial income and expenses as well as the value of financial instruments could fluctuate due to changes in market rates. Interest-rate risks could lead to changes in market values and cash flows as well as fluctuations in the Group's profit.

The Group is exposed to interest-rate risks, primarily through its non-current loans with variable interest rates. The term loan is in SEK and carries variable interest in the form of STIBOR plus a margin. Within the framework of the revolving credit facility, borrowing in different currencies is permitted. Depending on which currency is used, the Group will pay variable interest in the form of an applicable IBOR plus a margin. The margin is fixed for the duration of the contract.

According to the Group's financial policy, the Board of Directors must make decisions annually concerning the Group's structuring and distribution of interest-bearing assets and liabilities.

At year-end, the Group's interest-bearing liabilities were broken down as follows:

	Group	
(SEKm)	**2024**	**2023**
Loans from banks	1,496.2	1,495.5
Lease liabilities	607.4	687.1
Acquisition related liabilities	348.1	374.2
	2,451.6	**2,556.8**

In 2024, a +/- 1% change in the variable interest rate on the Group's loans would have impacted consolidated net financial items in an amount of SEK 15.0 million (17.5).

Credit risk

Credit risk involves exposure to losses if a counterparty to a financial instrument is unable to fulfil its obligations. The exposure is based on the carrying amount of the financial assets, most of which consist of accounts receivable, cash and cash equivalents. The Group's cash and cash equivalents comprise bank balances. Most of the bank balances are in banks with a long-term rating of Aa3 or A1 from Moody's.

On some of the Group's e-commerce platforms, customers are offered loans from a financial institution that the Group partners with to finance their purchases. If the customer chooses to utilise such a credit solution, the financial institution receives a receivable from the customer, while the Group receives liquidity from the institution within a couple days of the completed purchases. The Group assumes no credit risk or other risk for the receivables the credit institution has from the customer. The Group's cost for the credit solution offered to customers amounted to SEK 35.2 million (17.5).

However, on some of the Group's platforms, the Group itself offers customers loans. The credit risk associated with the Group's accounts receivable is spread over a large number of customers, mainly private individuals. The Group has established a credit policy for managing customer credits. For information concerning credit exposure and impairment of accounts receivable, refer to Note 18.

Market risk – currency exchange risk

The Group's currency exchange risk comprises transaction exposure and translation exposure.

Transaction exposure

Transaction exposure is the risk associated with the Group's earnings and cash flows and arises when the value of receipts and disbursements in foreign currencies changes because of fluctuations in exchange rates. The Group generally does not hedge its transaction exposure, but certain hedging takes place in individual subsidiaries.

According to the Group's financial policy, the Group must work actively to match receipts and disbursements in foreign currency, and measure and follow up the currency exposure of the various subsidiaries.

The net flow in foreign currency, defined as sales less purchases per currency, is shown below:

	Group	
(SEKm)	**2024**	**2023**
DKK	81.9	105.0
EUR	304.3	475.3
GBP	123.2	115.2
NOK	553.2	494.9
USD	-636.0	-339.1

Exposure to foreign currencies entails that the Group is subject to currency exchange risk. For 2024 and assuming all other variables remain unchanged, an exchange rate fluctuation of 10% for the various currencies would affect pre-tax profit by the following amounts:

	Group	
Sensitivity analysis (SEKm)	**2024**	**2023**
DKK	+/- 8,2	+/- 10,5
EUR	+/- 30,4	+/- 47,5
GBP	+/- 12,3	+/- 11,5
NOK	+/- 55,3	+/- 49,5
USD	+/- 63,6	+/- 33,9

Translation exposure

Translation exposure is the risk that arises from the translation of net assets in foreign subsidiaries to the reporting currency (SEK).

Foreign subsidiaries primarily have operations in Denmark (DKK), Norway (NOK), Finland (EUR) and the Baltics (EUR). The Group is affected by translation of the income statements and balance sheets of foreign subsidiaries into SEK. Such translation exposure is not currency hedged. Because the exchange rate for foreign currencies fluctuates in relation to SEK, there is a risk that future changes in exchange rates could materially and adversely impact the Group's earnings and financial position.

Foreign net assets, including goodwill and other intangible assets arising from acquisitions, are broken down as follows:

	Group			
(SEKm)	**2024**	**%**	**2023**	**%**
DKK	17.7	3.6	29.7	3.6
EUR	436.9	87.5	678.7	81.3
NOK	44.9	9.0	126.0	15.1
	499.5	**100.0**	**834.5**	**100.0**

Categorisation of financial instruments
The Group measures earn-outs, derivatives and shares in unlisted companies at fair value. Measurement of contingent considerations belongs to Level 3 of the valuation hierarchy, while derivatives belong to Level 2. For all other financial instruments, the carrying amount is a reasonable approximation of the instrument's fair value.

	Measured at amortised cost		Measured at fair value through PnL		Total carrying amounts		Fair value	
Group (SEKm)	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Financial assets								
Shares in unlisted companies	-	-	0.8	0.7	0.8	0.7	0.8	0.7
FX forwards	-	-	1.8	-	1.8	-	1.8	-
Deposit	7.7	8.2	-	-	7.7	8.2	7.7	8.2
Accounts receivable	152.2	199.9	-	-	152.2	199.9	152.2	199.9
Other receivable	42.9	37.6	-	-	42.9	37.6	42.9	37.6
Accrued income	7.2	7.5	-	-	7.2	7.5	7.2	7.5
Cash and cash equivalents	451.3	370.3	-	-	451.3	370.3	451.3	370.3
Total financial assets	**661.2**	**623.3**	**2.5**	**0.7**	**663.7**	**624.1**	**663.7**	**624.1**
Financial liabilities								
Liabilities issued put options	348.1	374.2	-	-	348.1	374.2	348.1	374.2
Credit facilities	1,500.0	1,500.0	-	-	1,500.0	1,500.0	1,500.0	1,500.0
Accounts payable	893.8	921.1	-	-	893.8	921.1	893.8	921.1
Other liabilities	17.2	2.5	-	-	17.2	2.5	17.2	2.5
Accrued expenses	126.1	76.9	-	-	126.1	76.9	126.1	76.9
Total financial liabilities	**2,885.2**	**2,874.8**	**-**	**-**	**2,885.2**	**2,874.8**	**2,885.2**	**2,874.8**

In the statement of financial position, deposits and participations in unlisted companies are recognised under other financial assets and earn-outs are recognised under other non-current and current liabilities.

For a reconciliation between the carrying amount of earn-outs at the beginning of the period and at the end of the period, as well as liabilities pertaining to put options issued to non-controlling interests, refer to Note 25.

Measurement of fair value

Participations in unlisted companies
Participations in unlisted companies pertain to membership of purchasing organisations. Cost is considered to reflect the fair value, since these are not transferable in the open market.

Currency forwards
Individual subsidiaries use currency forwards to hedge their exposure to currency exchange risk. The currency forwards are measured based on a discount comprising the difference between the contracted forward rate and the actual forward rate for a currency forward maturing on the same date.

Accounts receivable and payable
For accounts receivable and payable with a remaining life of less than six months, the carrying amount is deemed to reflect the fair value. The Group has no accounts receivable or payable with a life exceeding six months.

Earn-outs
The fair value of contingent considerations is calculated by discounting future cash flows with a risk-adjusted discount interest rate. Expected cash flows are forecast using probable scenarios for future EBITDA levels, amounts that will result from various outcomes and the probability of those outcomes.

Liabilities pertaining to put options issued to non-controlling interests
Liabilities pertaining to put options issued to non-controlling interests are recognised at the present value of the redemption amount, meaning at amortised cost. The value is initially calculated by discounting future cash flows with a risk-adjusted discount interest rate. Expected cash flows are forecast using probable scenarios for future EBITDA levels, amounts that will result from various outcomes and the probability of those outcomes. Changes in these estimates result in a change in the carrying amount of the liability, which is recognised directly against equity. The carrying amount is deemed to be a reasonable approximation of the fair value of these liabilities.

Credit facilities
The Group's credit facilities carry variable interest. A difference between the fair value and the carrying amount of the credit facilities arises if the credit margin that the Group would receive under a new credit facility with otherwise the same terms as the existing facility differs from the Group's actual credit margin under the existing loan agreement. According to management's assessment, the Group would have to pay a higher credit margin if a new equivalent facility were raised at the balance-sheet date compared to the credit margin under the existing loan agreement. However, the difference in margins is not considered sufficient, together with the relatively short remaining maturity of the facility (May 2026), to result in a significant difference between the carrying amount and the fair value.

Maturity structure of financial liabilities and lease liabilities – undiscounted cash flows (SEKm)	2024				
	Totalt	0 - 3 mo.	3 mo. - 1 year	1 - 5 years	> 5 years
Credit facilities	1,620.4	23.1	69.2	1,528.1	-
Lease liabilities	651.7	55.9	189.0	322.3	84.5
Liabilities issued put options	348.1	-	149.4	198.6	-
Accounts payable	893.8	893.8	-	-	-
Other liabilities	17.2	17.2	-	-	-
Accrued expenses	126.1	126.1	-	-	-
	3,657.3	**1,116.0**	**407.7**	**2,049.0**	**84.5**

Maturity structure of financial liabilities and lease liabilities – undiscounted cash flows (SEKm)	2023				
	Totalt	0 - 3 mo.	3 mo. - 1 year	1 - 5 years	> 5 years
Credit facilities	1,715.6	32.8	75.9	1,606.9	-
Lease liabilities	765.9	63.1	222.2	405.9	74.7
Liabilities issued put options	374.2	12.0	36.9	325.3	-
Accounts payable	921.1	921.1	-	-	-
Other liabilities	2.5	2.5	-	-	-
Accrued expenses	76.9	76.9	-	-	-
	3,856.3	**1,108.5**	**335.1**	**2,338.1**	**74.7**

NOTE 29 LEASES

Lessee
The Group leases several types of assets including but not limited to premises and vehicles. No leases include covenants or other limits beyond the collateral for the leased asset.

Right-of-use assets
Additions to right-of-use assets amounted to SEK 60.2 million (83.7). This amount
includes the cost of right-of-use assets acquired during the year and costs arising from revising
lease liabilities based on changes to payments resulting from a change in the lease term.

(SEKm)	2024	2023
Premises	515.1	572.6
Vehicles	-	0.1
Other	40.5	42.3
Total leased assets	**555.6**	**615.0**

Lease liabilities
For maturity analysis of lease liabilities, see Note 28 Financial instruments and financial risk management.

Amounts recognised in profit or loss

	Group	
Reported in Profit & Loss	**2024**	**2023**
Depreciation right of use asset	-222.8	-345.5
Impairment right of use asset	-56.0	-112.3
Interest lease liabilities	-18.7	-24.5
Variable lease payments	-	-0.1
Costs for short-term leases	-22.4	-81.5
Costs for low-value leases, not low-value short-term leases	-3.6	-5.4
Total earnings effect attributable to leases	**-323.6**	**-569.2**

For disclosures on depreciation per class, see Note 15.

Amounts recognised in the statement of cash flows

	Group	
Recognised in statement of cash flows	**2024**	**2023**
Interest	-18.7	-24.5
Amortisation	-284.9	-353.6
Payment of variable, short-term and low-value lease payments	-38.4	-90.1
Total cash flows attributable to leases	**-341.9**	**-468.2**

Extension and termination options

Each Group company that has a leases assesses whether it is reasonably certain that an extension option will be exercised (or whether it is reasonably certain that an early termination option will not be exercised), and considers such factors as rent levels, the practical opportunities for the company to move to other premises (including the costs of such a move), how the company's premises impact business operations, the availability of suitable alternatives and any significant improvements made to the property made by the Group.

However, it is normally not reasonably certain at the initial assessment of the length of the lease term that the Group will exercise an extension option, if the date when the option can be exercised is more than seven years after the lease was signed.

Leases in the Parent Company

The Parent Company leases premises through two operating leases with external landlords. The Parent Company leased premises from a Group company for part of the year. However, this lease was terminated on 1 November 2024 and replaced by a lease with a landlord outside the Group. The lease entered into in 2024 extends until 30 September 2027 with annual rent of SEK 1.0 million. The other lease has an indefinite term, with a three-month notice period and annual rent of SEK 0.3 million. In 2024, the Parent Company expensed lease payments pertaining to rent for premises totalling SEK 1.0 million (1.0).

NOTE 30 SUPPLEMENTARY DISCLOSURES FOR THE STATEMENT OF CASH FLOWS

Profit/loss items during the year that do not generate cash flow from operating activities.

	Group		Parent company	
(SEKm)	**2024**	**2023**	**2024**	**2023**
Depreciaition, amortization, impairment and scrapping of non-current assets	903.0	697.7	0.2	0.3
Capital gains/losses disposal of non-current assets	-2.2	67.5	-	-
Capital gains/losses disposal of operation	-12.1	1,117.1	-	-
Change in obsolescence provision	-22.6	-190.3	-	-
Change in other provisions	5.4	6.3	0.8	0.2
Group contributions received	-	-	-45.0	-110.0
Reassessed earn-outs	-	7.1	-	-
Unrealized exchange differences	7.8	11.0	-0.3	0.4
Accrued interest expenses and income	23.7	9.2	13.6	4.3
Other non-cash items	2.1	-	-	-
	905.2	**1,725.7**	**-30.7**	**-104.9**
Other supplementary disclosures				
Interest received during the financial year	15.4	23.8	1.6	2.0
Interest paid during the financial year	-172.0	-162.2	-113.0	-147.3
	-156.6	**-138.4**	**-111.4**	**-145.4**
Transactions that don't resulat in cash flow				
Additional right of use assets according to IFRS 16	226.1	246.5	-	-
	226.1	**246.5**	**-**	**-**

NOTE 31 RELATED-PARTY TRANSACTIONS

Transactions between BHG Group AB (publ) and its subsidiaries, which are related to BHG Group AB, have been eliminated in the consolidated financial statements.

All transactions between related parties have been conducted on commercial terms, on an arm's length basis.

Transactions with Board members and senior executives

During the third quarter, Board member Joanna Hummel received remuneration of SEK 134,887 for consultancy services relating to strategy development in Home Furnishing Nordic AB. As of June 2024, she is also a member of the Board of Directors of the subsidiary Nordic Nest Group AB and receives an annual director fee of SEK 150,000 for this work.

There were no transactions with senior executives, apart from those recognised above and in Note 8.

		Parent company				
	Year	Sale of goods/ services to related parties	Purchase of goods/ services from related parties	Other (e.g. interest dividend)	Claims on related parties at December 31	Liability to related parties at 31 December
Subsidiaries	2024	11.3	-	71.8	4,890.2	456.7
Subsidiaries	2023	7.9	-	88.1	4,910.4	453.1

NOTE 32 SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

On 28 February 2025, BHG received a ruling in the arbitration proceedings with the founders of, and minority owners of 30% of the shares in, IP-Agency regarding the price to be paid by BHG for the remaining shares pursuant to the shareholder agreement entered into when BHG acquired a majority stake in IP-Agency in 2021. According to the ruling, BHG is to pay EUR 2.5 million for the remaining 30% of the shares in IP-Agency and that BHG is to receive EUR 4.0 million in liquidated damages. Furthermore, the minority owners must reimburse BHG for legal costs in an amount of EUR 0.4 million.

BHG previously recognised a liability for an amount to be paid of EUR 13.9 million, corresponding to approximately SEK 154.9 million at the current exchange rate and after discounting. In light of the arbitration ruling, the liability has been written off. The change is recognised directly against equity in accordance with the Group's accounting policies.

On 1 April 2025, the sale of 100% of the shares in IP-Agency was completed. The buyer is IPA Holding Oy, a company fully owned and controlled by the founders of IP-Agency. The purchase price amounts to EUR 5.0 million and has been paid in cash.

Signatures

Malmö, 10 April 2025

Christian Bubenheim
Chairman of the Board

Kristian Eikre
Board member

Pernille Fabricius
Board member

Joanna Hummel
Board member

Mikael Olander
Board member

Negin Yeganegy
Board member

Gustaf Öhrn
President and CEO

Our auditor's report was submitted on 10 April 2025
Öhrlings PricewaterhouseCoopers AB

Erik Salander
Authorised Public Accountant
Auditor in charge

Vicky Johansson
Authorised Public Accountant

Auditor’s report

To the general meeting of the shareholders of BHG Group AB (publ), corporate identity number 559077-076

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of BHG Group AB (publ) for the year 2024 except for the corporate governance statement and the statutory sustainability report on pages 53-64 and 32-52 respectively. The annual accounts and consolidated accounts of the company are included on pages 25-111 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 parent company and the group as of 31 December 2024 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 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement and the statutory sustainability report on pages 53-64 and 32-52 respectively. 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 consolidated income statement and consolidated statement of financial position for the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's 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 responsibility under those standards is further described in the Auditor’s responsibility 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 responsibility 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.

Our audit approach

Focus and scope of the audit

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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

Key audit matter	How our audit considered the key audit matter
Valuation of intangible assets *With reference to note 2 and note 14.* Goodwill and other intangible assets with an indefinite useful life represents a significant part of BHG Group's assets. The company performs an impairment assessment of the assets based on a calculation of the discounted cash flow for the cash generating units in which goodwill and other intangible assets are reported. This impairment test is based on a high level of judgements and assumptions regarding future cash flows. Information is provided in note 2 and note 14 as to how the company's management has undertaken its assessments, and also provides information on important assumptions and sensitivity analyses. Key variables in the test are growth rate, profit margins, overheads, working capital requirements, investment requirements and discount factor (cost of capital). It is presented that no impairment requirement has been identified based on the assumptions undertaken.	In our audit, we have evaluated the calculation model applied by management and conducted that the model is compatible with acceptable valuation techniques. We have reconciled and critically tested essential assumptions against budget and strategic plan for the Company. We have analyzed the accuracy on how previous years assumptions have been met and assessed any adjustments to assumptions compared to previous year, as a result from changes in the business and external factors. We have tested the sensitivity analysis for key assumptions in order to assess the risk of need for impairment. We have also assessed the correctness of the disclosures included in the financial statements.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-24, 32-52 and 117-125. The other information also includes the Remuneration Report 2024, which we obtained prior to the date of this auditor's report. 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.

Responsibility 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 Accounting Standards 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 intend 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 Directors' responsibility 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 responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of BHG Group AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibility under those standards are further described in the Auditor's responsibility 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 responsibility 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.

Responsibility 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 and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company´s organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for BHG Group AB (publ) for the financial year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 The auditor's examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditor's responsibility section. We are independent of BHG Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibility in accordance with these requirements.

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

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of ESEF report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the ESEF report without material misstatements, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to obtain reasonable assurance whether the ESEF report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the ESEF report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the ESEF report has been prepared in a valid XHTML format and a reconciliation of the ESEF report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the ESEF report have been marked with iXBRL in accordance with what follows from the ESEF regulation.

THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT
It is the Board of Directors who is responsible for the corporate governance statement on pages 53-64 and for ensuring that it has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT
It is the Board of Directors who is responsible for the statutory sustainability report for the year 2024 on pages 32-52 and for ensuring that it has been prepared in accordance with the Annual Accounts Act according to the prior wording that was in effect before 1 July 2024.

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

A statutory sustainability report has been prepared.

Öhrlings PricewaterhouseCoopers AB, Box 4009, 203 11 Malmö, was appointed auditor of BHG Group AB (publ) by the general meeting of the shareholders on 6 May 2024 and has been the company's auditor since the financial year 2016.

Malmö the date stated on our electronic signature

Öhrlings PricewaterhouseCoopers AB

Eric Salander
Authorized Public Accountant
Auditor in charge

Vicky Johansson
Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Relevant reconciliations of non-IFRS alternative performance measures (APMs)

Some of the data stated in this report, as used by management and analysts for assessing the Group's development, is not defined in accordance with IFRS. Management is of the opinion that this data makes it easier for investors to analyse the Group's development, for the reasons stated below. Investors should regard this data as a complement rather than a replacement for financial information presented in accordance with IFRS. The Group's definitions of these performance measures may differ from similarly named measures reported by other companies.

ADJUSTED EBITA, ADJUSTED EBITDA AND ADJUSTED GROSS PROFIT

Adjusted EBIT corresponds to operating income excluding amortisation of acquisition-related intangible assets, gains/losses on sales of fixed assets and, where applicable, items affecting comparability. In other words, adjusted EBIT, in accordance with the accounting rules, includes all depreciation and amortisation of tangible and intangible assets attributable to the business. The difference between adjusted EBIT and EBIT is that the amortisation which arises as a result of the accounting treatment of purchase price allocations in conjunction with acquisitions is added back to adjusted EBIT.

Using the estimation technique for adjusted EBIT facilitates the understanding of the Group's earnings and profit, since adjusted EBIT provides a correct picture of the Group's operating income, without deduction of the accounting-related amortisation arising due to the acquisition analyses in conjunction with the acquisitions (which are not related to the underlying operations). Furthermore, the measure simplifies peer comp analysis of companies that do not make acquisitions, while analysis and assessment of acquisition candidates becomes clearer and more transparent, since their EBIT contribution will then correspond to their actual contribution to the Group after consolidation. It is also important to note that the effect of acquisitions is already reflected in the Group's capital structure and net debt, in accordance with generally accepted accounting practices. Adjusted gross profit and adjusted EBITDA correspond to gross profit and EBITDA adjusted for items affecting comparability.

Group

(SEKm)	Group 2024	Group 2023
Operating income	-442.9	-1,374.2
Inventory impairment	99.2	-
Salary expense for gardening leave	19.3	7.6
Costs related to LTIP	-	10.4
Acqusition-related costs	1.4	4.0
Disputes	13.0	-
Restructuring costs	7.0	33.3
Impairment due to restructuring	21.1	138.7
Impairment due to warehouse consolidation	46.9	-
Impaiment IT platform	-	65.6
Impaiment disposal group	399.0	-
Warehouse consolidation	8.1	-
Capital gain/ loss disposal	-2.1	1,117.7
Gain from renegotiation of lease agreement	-10.1	-
Recieved electricity support for business	-	-4.9
Total items affecting comparability	**602.7**	**1,372.5**
Depreciation and amortization of acquisition related intangible fixed assets	93.9	98.4
Scrapping of acquired brands when sites are discontinued	4.1	-
Adjusted EBIT	**257.8**	**96.7**
Adjusted EBIT (%)	**2.6**	**0.8**
Depreciation and amortization of tangible and intangible fixed assets	349.9	487.0
Gain/loss from sale of fixed assets	2.8	-4.8
Adjusted EBITDA	**610.5**	**578.9**
Adjusted EBITDA (%)	**6.1**	**4.9**
Net sales	9,962.5	11,790.2
Cost of goods	-6,309.3	-7,332.3
Gross profit before direct selling costs	**3,653.2**	**4,457.9**
Gross profit before direct selling costs (%)	**36.7**	**37.8**
Direct selling costs	-1,228.1	-1,536.9
Gross profit	**2,425.1**	**2,921.1**
Gross profit (%)	**24.3**	**24.8**
Inventory impairment	99.2	-
Restructuring costs	6.8	-
Impairment due to restructuring	1.6	20.0
Warehouse consolidation	4.8	-
Adjusted gross profit before direct selling costs	**3,765.6**	**4,477.9**
Adjusted gross profit before direct selling costs (%)	**37.8**	**38.0**

Home Improvement

(SEKm)	Home Improvement 2024	Home Improvement 2023
Operating income	-343.2	-71.5
Inventory impairment	41.2	-
Salary expense for gardening leave	8.8	7.0
Acqusition-related costs	-	4.0
Disputes	5.7	-
Restructuring costs	0.9	10.9
Impairment due to restructuring	5.9	48.8
Impaiment disposal group	399.0	-
Capital gain/ loss disposal	-2.5	-
Gain from renegotiation of lease agreement	-10.1	-
Recieved electricity support for business	-	-2.5
Total items affecting comparability	**448.9**	**68.1**
Depreciation and amortization of acquisition related intangible fixed assets	57.3	57.4
Adjusted EBIT	**163.0**	**54.0**
Adjusted EBIT (%)	**3.1**	**0.9**
Depreciation and amortization of tangible and intangible fixed assets	156.0	177.2
Gain/loss from sale of fixed assets	6.4	3.3
Adjusted EBITDA	**325.4**	**234.5**
Adjusted EBITDA (%)	**6.3**	**4.1**
Net sales	5,175.4	5,726.7
Cost of goods	-3,465.9	-3,908.0
Gross profit before direct selling costs	**1,709.5**	**1,818.7**
Gross profit before direct selling costs (%)	**33.0**	**31.8**
Direct selling costs	-514.9	-613.4
Gross profit	**1,194.7**	**1,205.2**
Gross profit (%)	**23.1**	**21.0**
Inventory impairment	41.2	-
Impairment due to restructuring	1.6	6.2
Adjusted gross profit before direct selling costs	**1,752.4**	**1,824.9**
Adjusted gross profit before direct selling costs (%)	**33.9**	**31.9**

Value Home

	Value Home	
(SEKm)	**2024**	**2023**
Operating income	-43.9	-1,259.3
Inventory impairment	45.9	-
Salary expense for gardening leave	5.8	-
Acqusition-related costs	1.4	-
Restructuring costs	-	19.4
Impairment due to restructuring	2.0	90.0
Impairment due to warehouse consolidation	46.9	-
Impaiment IT platform	-	65.6
Warehouse consolidation	8.1	-
Capital gain/ loss disposal	-	1,117.5
Recieved electricity support for business	-	-1.8
Total items affecting comparability	**110.1**	**1,290.7**
Depreciation and amortization of acquisition related intangible fixed assets	12.1	18.1
Adjusted EBIT	**78.3**	**49.5**
Adjusted EBIT (%)	**3.2**	**1.3**
Depreciation and amortization of tangible and intangible fixed assets	113.4	242.7
Gain/loss from sale of fixed assets	-3.8	-8.2
Adjusted EBITDA	**187.8**	**284.0**
Adjusted EBITDA (%)	**7.6**	**7.2**
Net sales	2,458.3	3,941.4
Cost of goods	-1,396.4	-2,158.2
Gross profit before direct selling costs	**1,061.9**	**1,783.3**
Gross profit before direct selling costs (%)	**43.2**	**45.2**
Direct selling costs	-357.7	-586.9
Gross profit	**704.2**	**1,196.4**
Gross profit (%)	**28.6**	**30.4**
Inventory impairment	45.9	-
Impairment due to restructuring	-	13.7
Warehouse consolidation	4.8	-
Adjusted gross profit before direct selling costs	**1,112.7**	**1,797.0**
Adjusted gross profit before direct selling costs (%)	**45.3**	**45.6**

Premium Living

	Premium Living	
(SEKm)	**2024**	**2023**
Operating income	7.6	48.6
Inventory impairment	12.0	-
Salary expense for gardening leave	4.7	-
Disputes	4.5	-
Restructuring costs	6.1	-
Impairment due to restructuring	13.2	-
Recieved electricity support for business	-	-0.6
Total items affecting comparability	**40.5**	**-0.6**
Depreciation and amortization of acquisition related intangible fixed assets	24.6	22.9
Scrapping of acquired brands when sites are discontinued	4.1	-
Adjusted EBIT	**76.9**	**70.9**
Adjusted EBIT (%)	**3.2**	**3.2**
Depreciation and amortization of tangible and intangible fixed assets	78.0	64.8
Gain/loss from sale of fixed assets	0.2	0.1
Adjusted EBITDA	**155.0**	**135.8**
Adjusted EBITDA (%)	**6.5**	**6.2**
Net sales	2,377.4	2,201.2
Cost of goods	-1,487.0	-1,339.3
Gross profit before direct selling costs	**890.4**	**861.9**
Gross profit before direct selling costs (%)	**37.5**	**39.2**
Direct selling costs	-355.5	-336.6
Gross profit	**534.9**	**525.3**
Gross profit (%)	**22.5**	**23.9**
Inventory impairment	12.0	-
Restructuring costs	6.8	-
Adjusted gross profit before direct selling costs	**909.2**	**861.9**
Adjusted gross profit before direct selling costs (%)	**38.2**	**39.2**

NET DEBT/NET CASH

Management is of the opinion that because the Group's actual net debt/net cash corresponds to the Group's non-current and current interest-bearing liabilities to credit institutions less cash and cash equivalents, investments in securities, etc. and transaction fees, other non-current and current interest-bearing liabilities should be excluded. The Group's other non-current and current interest-bearing liabilities consist of contingent and deferred earn-outs related to acquisitions, which are subject to an implicit interest expense. Lease liabilities reflect the balance sheet effects of IFRS 16.

At the end of the year, net debt amounted to SEK 1,027.0 million, corresponding to net debt in relation to pro-forma adjusted EBITDAaL, LTM (see definition on page 121) of 3.33x. The Group's current and non-current acquisition-related liabilities consist of contingent and deferred earn-outs related to acquisitions, which are subject to an implicit interest expense related to the present value calculation of the same. These obligations amounted to SEK 348.1 million at the end of the year, compared with SEK 374.2 million at the beginning of the year. Lease liabilities reflect the balance sheet effects of IFRS 16 and amounted to SEK 607.4 million at the end of the year, compared with SEK 687.1 million at the beginning of the year.

	Group	
Net debt / Net cash (SEKm)	**2024**	**2023**
Non-current interest bearing debt	2,241.3	2,248.2
Short-term interest bearing debt	467.5	566.8
Total interest bearing debt	**2,708.8**	**2,815.0**
Cash and cash equivalents financial position	-451.3	-370.3
Cash and cash equivalents disposal group	-21.8	-
Cash and cash equivalents	**-473.0**	**-370.3**
Adjustment of lease liabilities	-607.4	-687.1
Adjustment of earnouts and deferred payments	-348.1	-374.2
Adjustment taxes and fees with deferred payment due to the Corona pandemic	-257.1	-258.2
Adjustment transaction costs	3.8	4.5
Net debt (+) / Net cash (-)	**1,027.0**	**1,129.7**
Adjusted EBITDAaL Pro forma, LTM	308.1	236.8
Net debt (+) / Net cash (-) in relation to adjusted EBITDAaL Pro forma, LTM	**3.33x**	**4.77x**
Adjusted EBITDAaL Pro forma, LTM		
Adjusted EBITDA, LTM	610.5	578.9
Adjustment for IFRS 16	-234.9	-360.2
Adjustment for result attributed to legal minority interest*	-50.3	-44.8
Pro forma adjustment for acquired/divested businesses	-17.2	63.0
Adjusted EBITDAaL Pro forma, LTM	**308.1**	**236.8**

* Since 1 January 2024, BHG has excluded earnings related to the legal minority stake from the calculation of pro-forma adjusted EBITDAaL, LTM. For more information, refer to the definitions of performance measures on page 121.

Definitions

Performance measure	Definition	Reasoning
Share turnover rate	Number of shares traded during the period divided by the weighted-average number of shares outstanding before dilution.	The share turnover rate shows the rate at which shares in BHG Group AB are bought and sold through trading on NASDAQ Stockholm.
Number of visits	Number of visits to the Group's webstores during the period in question. Sessions only related to consumers with consent of cookies.	This performance measure is used to measure customer activity.
Number of orders	Number of orders placed during the period in question.	This performance measure is used to measure customer activity.
Gross margin	Gross profit as a percentage of net sales.	Gross margin gives an indication of the contribution margin as a share of net sales.
Gross margin before direct selling costs	Gross profit before direct selling costs – primarily postage and fulfilment – as a percentage of net sales.	An additional margin measure, complementing the fully loaded gross margin measure, allowing for further transparency.
Gross profit	Net sales less cost of goods sold. Gross profit includes costs directly attributable to goods sold, such as warehouse and transportation costs. Gross profit includes items affecting comparability.	Gross profit gives an indication of the contribution margin in the operations.
EBIT	Earnings before interest, tax and acquisition-related amortisation and impairment.	Together with EBITDA, EBIT provides an indication of the profit generated by operating activities.
EBITDA	Operating income before depreciation, amortisation, impairment, financial net and tax.	EBITDA provides a general indication as to the profit generated in the operations before depreciation, amortisation and impairment.
EBITDA margin	EBITDA as a percentage of net sales.	In combination with net sales growth, the EBITDA margin is a useful performance measure for monitoring value creation.
EBIT margin	EBIT as a percentage of net sales.	In combination with net sales growth, the EBIT margin is a useful performance measure for monitoring value creation.
Average order value (AOV)	Total order value (meaning Internet sales, postage income and other related services) divided by the number of orders.	Average order value is a useful indication of revenue generation.
Investments	Investments in tangible and intangible fixed assets.	Investments provide an indication of total investments in tangible and intangible assets.
Adjusted gross margin	Adjusted gross profit as a percentage of net sales.	Adjusted gross margin gives an indication of the contribution margin as a share of net sales.
Adjusted gross margin before direct selling costs ("Product margin")	Adjusted gross profit before direct selling costs – primarily postage and fulfilment – as a percentage of net sales.	An additional margin measure, complementing the fully loaded gross margin measure, allowing for further transparency.
Adjusted EBITDA	EBITDA excluding items affecting comparability.	This performance measure provides an indication of the profit generated by the Group's operating activities.
Adjusted EBIT	Adjusted EBIT corresponds to operating profit adjusted for amortisation and impairment losses on acquisition-related intangible assets, gain/loss from sale of fixed assets and, from time to time, items affecting comparability.	This performance measure provides an indication of the profit generated by the Group's operating activities.
Adjusted EBIT margin	Adjusted EBIT as a percentage of net sales.	This performance measure provides an indication of the profit generated by the Group's operating activities.

Performance measure	Definition	Reasoning
Pro-forma adjusted EBITDAaL, LTM	LTM adjusted EBITDA with the following adjustments: • less depreciation of right-of-use assets and interest on lease liabilities under IFRS 16 (or "Adjusted EBITDA after leases"), • less net profit/loss for the period attributable to legal minority stakes in subsidiaries, regardless of whether or not the Group recognises a net profit/loss for the period for the minority stake (for the Group's policies for the recognition of put options to non-controlling interests, refer to section 2.3.3. in Note 2 of the Annual Report), plus Adjusted EBITDAaL for acquired operations as though the acquired operations had been included in the consolidated income statement for the entire LTM period but not for the comparative period (pro-forma adjustment). For divested operations, a corresponding adjustment is made, meaning that adjusted EBITDAaL for the divested companies is excluded as though the divested companies were not included in the consolidated income statement for the entire LTM period but were included in the comparative period.	Pro-forma adjusted EBITDAaL, LTM is a performance measure used to facilitate transparency and comparisons between periods by excluding items affecting comparability, correcting for acquired and divested operations and net profit/loss for the period attributable to legal minority stakes in subsidiaries, and including all leases as an operating expense rather than as depreciation/amortisation and interest in accordance with IFRS 16. The performance measures is also used as a denominator for Net debt (+) / Net cash (-) in relation to Pro-forma adjusted EBITDAaL, LTM. As of 1 January 2024, BHG has adjusted the definition of the measure by now deducting net profit/loss for the period attributable to legal minority interests in subsidiaries. Previously, BHG adjusted for acquired and divested operations and the current amendment makes the calculation more consistent. Furthermore, the new definition is in line with the calculation of the Group's fulfilment of the covenants in the financing agreement.
Selling, general and administrative expenses (SG&A)	Total personnel costs and other external costs adjusted for items affecting comparability.	The measure is relevant for showing costs for sales and administration during the period, thereby giving an indication of the efficiency of the company's operations.
Adjusted gross profit	Net sales less cost of goods sold. Adjusted gross profit includes costs directly attributable to goods sold, such as warehouse and transportation costs. Adjusted gross profit excluding items affecting comparability.	Adjusted gross profit gives an indication of the contribution margin in the operations.
Items affecting comparability	Items affecting comparability relate to events and transactions whose impact on earnings are important to note when the financial results for the period are compared with previous periods. Items affecting comparability include costs of advisory services in connection with acquisitions, costs resulting from strategic decisions and significant restructuring of operations, capital gains and losses on divestments, material impairment losses and other material non-recurring costs and revenue.	Items affecting comparability is a term used to describe items which, when excluded, show the Group's earnings excluding items which, by nature, are of a non-recurring nature in the operating activities.
Cash conversion	Pre-tax cash flow from operating activities less investments in non-current assets (capex) as a percentage of adjusted EBITDA.	Operating cash conversion enables the Group to monitor management of its ongoing investments and working capital.
Net sales growth	Annual growth in net sales calculated as a comparison with the preceding year and expressed as a percentage.	Net sales growth provides a measure for the Group to compare growth between various periods and in relation to the overall market and competitors.

Performance measure	Definition	Reasoning
Net debt/Net cash	The sum of interest-bearing liabilities, excluding lease liabilities and earn-outs, less cash and cash equivalents, investments in securities, etc. and prepaid borrowing costs.	Net debt/Net cash is a measure that shows the Group's interest-bearing net debt to financial institutions.
Net debt/Net cash in relation to Pro-forma adjusted EBITDAaL, LTM	Net debt/Net cash divided by Pro-forma adjusted EBITDAaL, LTM.	Net debt/Net cash in relation to pro-forma adjusted EBITDAaL, LTM describes the Company's ability to repay its debts with profit generated by operating activities.
Organic growth	Refers to growth for comparable operations compared with the preceding year. Organic growth is calculated as changes in net sales after adjustment for currency effect and the effect of acquired and divested operations. Organic growth (%) = Organic growth / Net sales for the comparative period.	Organic growth is a measure that enables the Group to monitor underlying net sales growth, excluding the effects of currency, acquisitions, and divestments. As of 1 January 2024, BHG has adjusted the definition of the key figure by now adjusting for currency effects in accordance with ESMA's guidance. The comparative figures have been recalculated.
Working capital	Inventories and non-interest-bearing current assets less non-interest-bearing current liabilities.	Working capital provides an indication of the Group's short-term financial capacity, since it gives an indication as to whether the Group's short-term assets are sufficient to cover its current liabilities.
Operating margin (EBIT margin)	EBIT as a percentage of net sales.	In combination with net sales growth, operating margin is a useful measure for monitoring value creation.
Equity/assets ratio	Equity, including non-controlling interests, as a percentage of total assets.	This performance measure reflects the company's financial position and thus its long-term solvency. A favourable equity/assets ratio and strong financial position enable the Group to handle periods with a weak economic situation and provide the financial strength for growth. A lower equity/assets ratio entails a higher financial risk, but also higher financial leverage.
Total order value	The total value (in SEK) of orders placed during the period before the deduction of orders cancelled.	Total order value is used to measure customer activity and as an indication of revenue generation.

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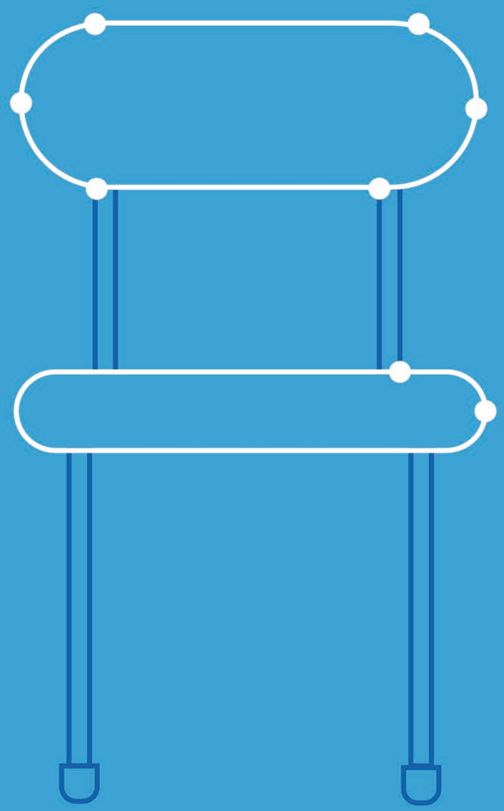
FINANCIAL CALENDAR

25 April 2025	Interim report January–March 2025
18 July 2025	Interim report January–June 2025
24 October 2025	Interim report January–September 2025
27 January 2025	Year-end report January–December 2025



Happy dots, solving knots

bhg.