

Press release, Borås 15 December 2023

ELLOS GROUP INITIATES A WRITTEN PROCEDURE FOR ITS SENIOR SECURED BONDS

Ellos Group AB (publ) ("**Ellos Group**" or the "**Company**") initiates a written procedure in relation to the Company's outstanding SEK 1,500,000,000 Senior Secured Callable Floating Rate Bonds to request certain amendments in relation to the Bonds.

The Board of Directors of Ellos Group has instructed Nordic Trustee & Agency AB (publ) (the "**Agent**") as agent under the Company's outstanding SEK 1,500,000,000 Senior Secured Callable Floating Rate Bonds with ISIN SE0012827996 (the "**Bonds**") to initiate a written procedure to request the holders of such Bonds (the "**Bondholders**") to vote in favour of certain amendments of the terms and conditions of the Bonds, as set out in a notice of written procedure (the "**Written Procedure**") that the Agent will send to direct registered Bondholders today.

Background and reasons for the Written Procedure

Ellos Group is the parent company in the Ellos group (the "**Group**"), and the Bonds were issued in 2019 in connection to the acquisition of the Group by Ellos Group, at the time indirectly owned by the Belgian company FNG NV. Following the bankruptcy of FNG NV, Nordic Capital became the majority shareholder of the Company in June 2022. Nordic Capital has since then continued to support the Group's development and the Group has, following the change in ownership, significantly increased its profitability through continued efficiency improvements.

Notwithstanding the increased profitability of the Group, and in light of current market conditions, the Company deems that it is not possible to complete a refinancing of the outstanding Bonds and revolving credit facility (the "**RCF**") prior to the RCF falling due in January 2024. The Company and Nordic Capital have used substantial time and resources in exploring various refinancing options but has not yet reached an agreement acceptable to all stakeholders. The Company and Nordic Capital are in active dialogues with the existing RCF provider to extend the maturity. In order to successfully extend the RCF maturity, and thus ensure uninterrupted operational performance and access to financing, the Company deems an extension of the bond maturity through a Written Procedure as necessary. An unsuccessful extension of the Bonds may have a material adverse impact on the Company's financial situation.

Arthur Engel, Chairman of the Group, comments: "Ellos Group continues its unflagging efforts to lay a solid foundation for profitable growth which has resulted in a good profit development both in the last quarter and during the year. With this strong trajectory we take all measures to continue to position the Company for a successful strategic process for all stakeholders."

The Company deems the amendments of the terms and conditions of the Bonds through this Written Procedure to be the most appropriate solution for both the Company and the Company's Bondholders.

Initiation of Written Procedure and summary of proposed terms

Ellos Group has instructed the Agent for the Bonds to initiate the Written Procedure to request Bondholders to vote in favour of certain amendments of the terms and conditions of the Bonds. The proposed amendments include, *inter alia*:

- a. an extension of the original final maturity date (the "**Original Final Maturity Date**") with 24 months until 25 July 2026 (the "**Extended Final Maturity Date**");
- b. an increase of the final redemption price at the Extended Final Maturity Date to 106 per cent of the nominal amount of the Bonds (the "**Nominal Amount**"); and
- c. an amended call structure to incentivise the Company to make a total voluntary prepayment of the Bonds before the Extended Final Maturity Date.

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In case the Bondholders approve the amendments proposed in this Written Procedure, the Bondholders will receive a base fee equal to 0.50 per cent of the Nominal Amount of each Bond and warrants granting the Bondholders right to 15 per cent of the aggregate proceeds distributed on the preference shares and the ordinary shares of Ellos Group other than shares issued to management and employees of the Group in connection with a shareholder exit. Further, in case the Bondholders approve the amendments proposed in this Written Procedure on or prior to 15.00 CET on 29 December 2023, the Bondholders will in addition receive an early consent fee equal to 0.50 per cent of the Nominal Amount of each Bond.

For full details on the proposed amendments, see the attached notice of Written Procedure.

The Agent will on 15 December 2023, send the notice of Written Procedure to Bondholders directly registered as of 14 December 2023 in the debt register kept by Euroclear Sweden AB. If you are an authorised nominee under the Swedish Central Securities Depositories and Financial Instruments Accounts Act (*lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) or if you otherwise are holding Bonds on behalf of someone else on a securities account, please forward the attached notice of Written Procedure to the Bondholder you represent as soon as possible.

The notice of Written Procedure is available on the Company's website (www.ellosgroup.com).

The outcome of the Written Procedure will be announced by way of press release in connection with the conclusion of the Written Procedure. The voting record date is 21 December 2023 and the last day for voting in the Written Procedure is 8 January 2024.

For questions regarding the proposals and requests set out in the notice of the Written Procedure, please contact ABG Sundal Collier AB ("**ABG**") at ProjectEvolve@abgsc.no. For questions regarding the administration of the Written Procedure, please contact the Agent at voting.sweden@nordictrustee.com or +46 8 783 79 00.

For more information:

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ABOUT ELLOS GROUP

The Ellos Group, which includes the e-stores Ellos, Jotex, Homeroom and payment brand Elpy, is a leading e-commerce group in the Nordic region. Working closely with our millions of customers, we are constantly striving to develop and offer attractive and sustainable fashion and household items for the entire family. Our focus is always on the customer. We continuously work to develop our business through innovation, creativity, and sustainability. The Ellos Group, headquartered in Borås, and with operations in all Nordic countries and selected European markets, has around 600 employees and sales of around SEK 3.6 billion.

www.ellosgroup.com