

Press release, Borås, 15 July 2024

NOT FOR DISTRIBUTION IN OR TO THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN OR TO ANY U.S. PERSON (AS DEFINED IN REGULATION S OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED) OR IN ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO PUBLISH OR DISTRIBUTE THIS PRESS RELEASE

ELLOS GROUP WITHDRAWS PROPOSAL TO ISSUE NEW BONDS AND TO REDEEM ITS OUTSTANDING SUPER SENIOR BONDS PRIOR TO MATURITY – DISCUSSION WITH BONDHOLDERS CONTINUES

On 11 June 2024, Ellos Group AB (publ) ("**Ellos Group**" or the "**Company**") announced that its subsidiary Ellos Group Nordic AB (publ) contemplated an issuance of new senior secured bonds and super senior secured bonds (the "**New Bonds Issue**") for the purpose of, *inter alia*, refinancing the Company's outstanding SEK 1,500,000,000 senior bonds due 25 July 2024 (the "**Senior Bonds**") and SEK 250,000,000 super senior bonds due 9 February 2025 (the "**Super Senior Bonds**", and, jointly, the "**Existing Bonds**") (the "**Refinancing**"). The disbursement of the net proceeds from the New Bonds Issue was, according to the announcement, subject to a capital injection in cash to strengthen the balance sheet (the "**Capital Injection**"). Furthermore, on 1 July 2024, the Company announced that it had instructed Nordic Trustee & Agency AB (publ) in its capacity as agent to send a notice of conditional early redemption to the holders of the Super Senior Bonds, which early redemption was made conditional upon the settlement of the New Bonds Issue, which in turn was contingent on the Capital Injection.

Following significant efforts by the Company and its majority shareholder Nordic Capital to raise the necessary capital to secure the Capital Injection, including but not limited to a broad private placement process together with Carnegie Investment Bank, the Company has concluded that it is currently not possible to raise the necessary funds to achieve the Capital Injection, as a necessary pre-condition to the New Bonds Issue, and has therefore withdrawn its contemplated New Bonds Issue and the conditional notice to redeem the Super Senior Bonds prior to their maturity date.

In light of the above, the Company has initiated a constructive dialogue with an ad-hoc committee of bondholders (the "**Committee**") for the purpose of finding a long-term refinancing solution for the Senior Bonds and the Super Senior Bonds and to strengthen Ellos Group's capital structure. The Company and the Committee are in advanced discussions around a standstill agreement that will provide a stable platform and the necessary runway to a longer-term solution to the capital structure of Ellos Group (the "**Standstill Agreement**"). The Company expects that the Standstill Agreement will be executed well ahead of the Senior Bonds falling due on 25 July 2024.

The Standstill Agreement and the on-going discussions with the stakeholders of the Company are not expected to impact Ellos Group's business relationships or operations, which will continue as normal, nor will they affect any suppliers or employees.

Ellos Group stays committed to secure a long-term financing and capital structure that supports its current operations and future strategies. The Company operates from a strong position as a Nordic leading e-commerce group and will continue its focus on increased cost efficiency and improving cash flow. Ellos Group demonstrated a strong financial performance in 2023, despite challenging market conditions, and its positive performance has continued in 2024. Ellos Group estimates that the adjusted EBITA for the second quarter 2024 will improve by 22 percent compared to the same period last year, and for the first six months 2024, the adjusted EBITA is estimated to approximately SEK 70 million, equivalent to an improvement by 47 percent. All figures are preliminary and unaudited.

"We have enjoyed long-standing support from our bondholders and will, together with our majority shareholder, continue working constructively to find a long-term financing solution to support Ellos Group's continued strong financial and operational performance as shown in the preliminary half-year numbers that we released today," says Arthur Engel, Chairman of the Board of Ellos Group.

ELLOS GROUP

For more information:

Johan Stigson, CFO, Telephone. +46 (0)33 16 08 05.

Bondholders may also reach out to Advokatfirmaet BAHR as counsel to the Committee and Nordic Trustee & Agency AB (publ) by e-mail to magto@bahr.no (Magnus Tønseth) or stiwi@bahr.no (Stian Winther).

This information is information that Ellos Group AB (publ) is legally obliged to disclose in accordance with the EU Market Abuse Regulation. Through the agency of the contact persons shown above, the information was released for publication on 15 July 2024 07.30 CEST

ABOUT ELLOS GROUP

The Ellos Group, which includes the online stores Ellos, Jotex, Homeroom and payment brand Elpy, is a leading shopping destination for fashion and home furnishings in the Nordic region. Working closely with our millions of customers, we offer attractive and sustainable products for the women in mid-life, her family and home. We continuously develop our business through innovation, creativity, and sustainability, and always focusing on the customer. The Ellos Group, headquartered in Borås, and with operations in all Nordic countries and selected European markets, has around 550 employees and sales of around SEK 3.4 billion.

www.ellosgroup.com