

ELLOS GROUP

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ELLOS GROUP ANNOUNCES INTENTION TO INITIATE CHANGE OF OWNERSHIP STRUCTURE AND ANNOUNCES A CHANGE TO THE BOARD OF DIRECTORS IN THE PARENT COMPANY

Ellos Group AB (publ) (the "**Parent Company**") is working to find a long-term financing solution and today announces its intention to initiate a process for changing the ownership structure of its subsidiary, Ellos Group Nordic AB (publ) ("**Ellos Group**" or the "**Company**"). As part of this process, a change to the board of directors in the Parent Company is also taking place. The ongoing processes are not expected to affect Ellos Group's business relationships or operations, which will continue as usual, nor will they affect suppliers or employees.

On 30 July 2024, the Parent Company entered into a standstill agreement with an ad-hoc group that at the time represented holders of more than 50 per cent. of the outstanding nominal amount of the bonds, with the aim of creating a stable platform for Ellos Group during the negotiations to find a long-term solution. The negotiations are constructive and the intention now is to initiate a process for change of ownership structure in Ellos Group.

Ellos Group's business operations are performing well and have shown stable financial progress during the first half of 2024. The results improved in the second quarter despite a challenging market. Adjusted EBITA increased to MSEK 50.3, which is an increase of approximately 22 per cent. compared to the same period in 2023. The Company's ambition is to continue on the strategic path of improving its offering to core customers with a clear focus on increased efficiency, reduced costs, and improved cash flow.

In connection with the ongoing process, the independent board members Arthur Engel, Patrik Illerstig, and Kristina Schaumann are leaving the board of the Parent Company, and consequently the employee representatives as well. The Parent Company views the board change as a natural step in a process of changing the ownership structure in Ellos Group. The remaining board of the Parent Company consists of Robert Furuholm together with Terese Ahrens as an alternate. The board will continue to handle the negotiations to find a long-term financing solution, but in the new configuration.

"I would like to thank the board for the incredibly valuable support they have given Ellos Group over the past few years where we have made significant strides forward as a leading Nordic shopping destination as well as for our very positive cooperation," says Hans Ohlsson, CEO of Ellos Group.

"Together, the board, Nordic Capital, and Ellos Group's management team have laid a solid foundation for profitable growth, resulting in a favorable profit development. With this positive development, the company is well positioned to take the next step", says Arthur Engel, departing Chairman of the Parent Company.

"Since Nordic Capital re-entered as the owner of Ellos Group in 2022 following the pledge takeover from FNG, the company has undergone positive development in a rapidly changing market. At the same time, there is a need for a more robust balance sheet. I would like to thank the board who have worked hard to find a long-term financing solution. Now, the focus is on establishing a structure where Ellos Group transitions to new owners to continue as a leading Nordic player, and in connection with this it is natural that these board changes occur", says Robert Furuholm, Partner, Nordic Capital Advisory.

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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.

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