

Press release, Borås, 9 September 2024

PARENT COMPANY IN ELLOS GROUP FILES FOR BANKRUPTCY – ELLOS GROUP OPERATIONS NOT AFFECTED

- **Ellos Group and its subsidiaries are not part of the Parent Company's bankruptcy and continue operations as before.**

Ellos Group AB (publ) (the "**Parent Company**") announced on 28 August 2024 that negotiations for a long-term financing solution were ongoing with an ad-hoc group of bondholders ("**AHG**") and that a process to change the ownership of the subsidiary Ellos Group Nordic AB (publ) ("**Ellos Group**") was initiated. AHG has now announced that AHG does not intend to enforce the pledge outside of bankruptcy pursuant to the share pledge agreement and that it has also suspended negotiations regarding the transfer of shares. As no agreement has been reached in the negotiations between the Parent Company and AHG, and no enforcement of the share pledge will occur outside of bankruptcy, the Board of Directors sees that the only alternative is for the Parent Company to file for bankruptcy to ensure that the shares in Ellos Group can be sold in a way that best preserves the operational interests of the business. This will now be done as part of the Parent Company's insolvency proceedings. Ellos Group and its subsidiaries are not part of the Parent Company's bankruptcy and will continue their operations as before.

The ongoing proceedings are not expected to affect Ellos Group's business relationships or operations, nor affect suppliers or employees. Ellos Group and its subsidiaries are independent from the Parent Company and are not dependent on the Parent Company to conduct their business.

"Since Nordic Capital re-entered as owner of Ellos Group in 2022 in connection with the enforcement of a pledge from FNG, the company has undergone a positive development in a rapidly changing market. At the same time, there is a need for a more robust balance sheet. Despite hard work and evaluation of various alternatives, it has not been possible to achieve any long-term financing. As AHG has now suspended the negotiations, the Board of Directors now sees that the only alternative is to file for bankruptcy for the Parent Company to ensure a change of ownership of Ellos Group. It is important to emphasize that Ellos Group, together with its subsidiaries, is profitable and independent of the Parent Company to conduct its business. Its operational activities continue as before and the stable financial results so far this year show a continued strong market position," says Robert Furuholm, Board member of the Parent Company Ellos Group AB and Partner, Nordic Capital Advisors.

Ellos Group's business operations are progressing well and have had a stable financial development during the first half of 2024. Earnings improved in the second quarter, despite a challenging market. Adjusted EBITA increased to SEK 50.3 million, which is an increase of approximately 22 percent compared to the corresponding period in 2023. Ellos Group's ambition is to continue on the strategic path of improving the offering to the core customer in parallel with a clear focus on increased efficiency, reduced costs and improved cash flow.

The Board of Directors has today filed for bankruptcy in respect of the Parent Company, Ellos Group AB (publ) with the Borås District Court. Attorney Lars-Henrik Andersson, Cirio, has been proposed as bankruptcy administrator. The Board intends to work closely with the bankruptcy administrator with the aim of ensuring an orderly change of ownership.

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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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