

Press release, Borås, 10 September 2024

ELLOS GROUP ANNOUNCES THAT AD-HOC GROUP OF BONDHOLDERS PROPOSES CREDIT FACILITY CONFIRMING CONTINUED SUPPORT

Ellos Group Nordic AB (the “**Company**”) has been informed that its parent company Ellos Group AB (the “**Parent**”) filed for bankruptcy yesterday. The bankruptcy only involves the Parent and will not involve or affect the operations of the remaining Ellos group. An ad-hoc group of bondholders (“**AHG**”) has now proposed a forbearance arrangement, confirmed continued support for the business and willingness to support a transaction whereby the bondholders take over the Group in short order, and to underwrite a credit facility of up to SEK 250,000,000 to ensure the Group’s continued ability to trade and meet its obligations throughout the process.

The Parent failed to meet its payment obligations under its SEK 1,500,000,000 senior secured bond loan on the scheduled maturity date, July 25th, 2024. As a result, the bondholders under the Parent’s SEK 250,000,000 super senior bond loan accelerated their claims by reason of cross default (the two bond loans collectively the “**Bond Loans**” and the bondholders thereunder the “**Bondholders**”). The Company and most of its subsidiaries are guarantors and have granted security in respect of the Bond Loans. The Parent has no substantial assets other than the shares in the Company and certain other assets over which its creditors have security.

Following the Bond Loans falling due for payment, an ad-hoc group of bondholders representing more than 50% of the claims under the Bond Loans (the “**AHG**”) entered into a forbearance agreement with the Parent, for the purpose of either (i) allowing the Parent additional time to set forth an alternative solution for the repayment of the Bond Loans, or (ii) facilitating a settlement of the Bond Loans through the Bondholders’ acquisition of the Parents substantial assets, including the remaining Ellos group.

The Parent failed to sell its assets or otherwise propose a transaction that would repay the Bondholders and has instead decided to file for bankruptcy.

The Parent is a non-operational holding company and not involved in the daily operations of the Company or its subsidiaries (the “**Group**”). The bankruptcy of the Parent is therefore not expected to have any impact on the business operations of the Group. The Group intends to continue trading as normal and continue to meet all its obligations.

The Company is in close dialogue with the AHG on behalf of the Bondholders as the only significant financial creditor of the Group. The AHG has proposed to the Group a forbearance arrangement and has confirmed their continued support for the business and willingness to support a transaction whereby the bondholders take over the Group in short order. The AHG has furthermore proposed to underwrite a credit facility of up to SEK 250,000,000 for the Group on certain conditions in order to ensure the Group’s continued ability to trade and meet its obligations throughout the process.

“I look forward to the support of our bondholders and am confident that the ongoing processes will contribute to a more sustainable capital structure. What is now happening is an important step in Ellos Group’s work to strengthen the balance sheet, improve liquidity and create the conditions to remain a long-term competitive and profitable company”, says Hans Ohlsson, CEO Ellos Group.

A statement from the AHG: “As a firm supporter of Ellos group, we look forward to working with the Group and its management to jointly find a sustainable path forward. We have today confirmed that we are supportive of the business and our willingness to take over the Group. The proposed credit facility is intended to support the Group’s ability to perform vis-à-vis its customers and counterparties and remain a stable and reliable counterparty during the process.”

For more information, please contact:

ELLOS GROUP

ellos Jotex home room elpy

Bjarte Bøe, Chairperson Ellos Group Nordic AB (publ)

Hans Ohlsson, CEO Ellos Group

Tel. +46 (0)33 16 08 05

For any questions relating to the AHG or bondholders, please contact the AHG's legal counsel Advokatfirmaet BAHR AS (Magnus Tønseth – magto@bahr.no and Stian Winther – Stiwi@bahr.no).

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 550 employees and sales of around SEK 3.4 billion.

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