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**ACCELL
GROUP**

PRESS RELEASE



ACCELL AGREES ON STRENGTHENED CAPITAL STRUCTURE FOR FUTURE GROWTH

- Binding agreement reached with shareholders, lenders and banks on sustainable financial structure for the long term
- Resulting in significant debt reduction, maturity extension and additional liquidity to fund delivery of Group's business plan
- Business update: brands performing well, new models launched, and business positioned to benefit from long-term positive trends

Heerenveen, the Netherlands - Accell Group (Accell) today took an important step to improve its financial position and reduce its corporate debt by reaching an agreement with a majority of its financial stakeholders. Implementation of the recapitalisation is expected by early Q1 2025. The transaction will lead to a reduction of Accell's debt by approximately €600 million, or around 40% of the total debt, from approximately €1.4 billion to approximately €800 million in the operating group. The transaction provides for additional cash funding to the business of approximately €235 million. The maturity of the group's recapitalised debt is extended to 2030. This transaction provides Accell with a sustainable financial structure, a strengthened liquidity position and an ability to invest in the business' future.

Recapitalisation transaction

During the past few months, Accell has undertaken a review of its financial position in view of the challenging financial and market conditions. Since early July, Accell has engaged with relevant stakeholders, including its shareholders, creditors and banks, with a view to agreeing a deleveraging plan that would result in a sustainable capital structure for the business. Following extensive and constructive discussions, Accell has now reached agreement with a majority of its financial stakeholders on a binding recapitalisation support agreement pursuant to which these parties agree to support the transaction. The relevant Works Councils have rendered a positive advice.

Following the recapitalisation, the existing shareholder base remains stable, with current shareholders retaining a significant majority controlling stake in the company. Accell will have a fit-for-purpose capital structure as well as increased liquidity through a capital injection. This will allow the company to execute and accelerate on its business strategy and provide flexibility to navigate the market environment with a stable operating platform based on a long term and sustainable financing structure.

Tjeerd Jegen, CEO: *“The agreement confirms our key stakeholders’ confidence in the business which supports the optimistic long-term outlook of the biking market and the role Accell can play in capitalising on this. Over the past year, we have taken focused actions to bring down cost levels and increase efficiency. These actions have already strongly improved our competitive position. To accelerate on our business strategy, and weather the continued challenging market circumstances, we also needed to adjust our financial structure.*”

Upon successful implementation of the recapitalisation, we will have a revised, fit-for-purpose capital structure and increased liquidity, allowing us to further implement and accelerate the One Accell strategy. This strategy will make us more efficient and put us in a better position, while it will also make us more agile, and provide us with the flexibility we need to stay at the forefront of developments. We can now fully focus on the future, as we continue to innovate and look forward to launching new models of our unique and iconic brands, together with our suppliers and dealers.”

Gijsbert de Zoeten, CFO: *“I am pleased that we can announce this agreement today, leading to a materially deleveraged Accell Group. We are grateful for the constructive approach that our shareholders, debtholders and banks have shown in reaching this agreement. With their support, we will have a sustainable capital structure for Accell for the future. This shows the confidence all parties have in our business and strategy.”*

Business plan

In the past 12 months, Accell has taken focused actions to improve its market position. The group’s businesses (bikes, parts and cargo) have been further integrated with the best-in-class brands benefitting from joint stock management and one integrated European platform. Accell’s manufacturing footprint has been optimised through the transfer of production and specialisation of factories, allowing for further productivity gains. A continuous savings programme was started, driving structural competitiveness. At the same time, Accell continues to decrease stock levels and expects the bike inventory to be back to normalised levels by the end of the year. The inventory of parts and accessories is already back at normalised levels.

With its streamlined operations, an integrated distribution model, strong management team and a sound balance sheet, Accell is able to fully focus on the future, geared towards ensuring that the unique and iconic brands are set up to benefit from the long-term positive trends. The underlying market fundamentals are favourable, with significant growth opportunities for scaled players like Accell.

Our brands are performing well, with the latest research (GfK) in the Dutch market showing solid volume growth year-to-date, outperforming the market and our key competition.

Recently, new models were launched, such as the Koga EF3, the electronic version of the iconic Koga F3, a high quality hand built bike and the Sinus FS, the full suspension version of the Winora city bike. From 2025 onwards, there are plans to further expand the production of new models across all our brands.

Next steps

The recapitalisation transaction is expected to be fully implemented by early Q1 2025. Accell continues to work with its stakeholder groups and their advisers to finalise and implement the transaction. Accell invites the remaining lenders to sign up to the transaction and information on the further procedure will be provided to the lenders in the coming days.

Implementation will either be by way of a contractual process or, if required, a court process to approve the transaction in the UK and/or the Netherlands, for which relevant and requisite stakeholder consents have already been obtained. Final implementation will be subject to certain customary conditions, approvals and finalisation of certain terms.

ABOUT ACCELL GROUP

Accell Group is the European market leader in e-bikes and second largest in bicycle parts and accessories. Our employees work closely together with tens of thousands of local dealers throughout Europe. By combining our sense of caring with our people, our products and leadership in innovation and sustainability we are helping cities to meet some of the many challenges they face.

NOTES TO THE EDITOR, NOT FOR PUBLICATION

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