

RNB RETAIL AND BRANDS

PRESS RELEASE

April 29, 2020

Tentative corporate reorganization plan – reduce in retail sales while e-commerce increases

Currently in corporate reorganization, RNB Retail and Brands AB's subsidiaries Department & Stores Europe AB, Polarn O. Pyret AB and Brothers AB ("the Companies") have all been severely impacted by the ongoing COVID-19 pandemic. As a result, retail sales halved during the months of March and April, while e-commerce increased.

During the initial phase of the corporate reorganization, the Companies focused on reducing costs and streamlining their business. The Companies have since been working on a number of initiatives together with landlords and creditors, as constructive dialogue between the Companies and relevant parties is key to a successful corporate reorganization. To make up for the decrease in retail sales, the Companies have had to cut costs in retail. The Companies will be well-positioned to achieve profitability once the coronavirus pandemic is over.

"We have followed our plan and taken drastic measures both financially and, in the operations, to improve the companies' financial situation and create sustainability. As a result, the companies have unfortunately reduced the number of employees and their costs, such as purchases. All the Company's landlords have been contacted and constructive dialogues are held with the majority. The Companies have a good dialogue the other creditors, and all most realize that they have to make sacrifices in order for the Companies to be able to be pursued long-term after successful reconstructions. Everyone must realize the need for joint power", said Kristian Lustin, CEO of RNB Retail and Brands.

The Companies will present tentative corporate reorganization plans on April 29. Department & Stores' turnover is forecasted to amount to approximately 760 million SEK. Department & Stores has therefore reduced personnel costs at the NK department stores and reduced product purchasing. Department & Stores has an ongoing constructive dialogue with its landlord, Hufvudstaden, which owns the NK department stores in Stockholm and Gothenburg.

Brothers has been heavily affected by decreasing suit sales following cancellation of many Spring and Summer events, especially graduation ceremonies and other holidays. To decrease costs, Brothers has, among other things, closed five shops in Sweden and all twelve shops in Finland. The company has also decreased product purchases and initiated negotiations with its landlords. In several cases, agreements have been made. Negotiations are held in a constructive manner based on the current circumstances.

Analysis of long-term profitability conducted by Polarn O. Pyret has so far led to the closing of twelve shops and a review of the operations abroad. Polarn O. Pyret's e-commerce has increased its sales multifold in recent weeks as the pandemic hinders shopping in retail stores. Similarly to the other companies, Polarn O. Pyret is negotiating with its landlords. The company, with its strong brand recognition, will be well-positioned once the pandemic is over.

RNB RETAIL AND BRANDS owns, operates and develops fashion wear, ready-to-wear clothing, accessories, jewelry and cosmetics stores and e-commerce that focus on providing excellent service and a world-class shopping experience. Sales are conducted through the concepts Brothers, Departments & Stores, Man of a kind and Polarn O. Pyret. The Group has around 220 stores and e-commerce platforms in 10 countries. RNB RETAIL AND BRANDS is listed on Nasdaq Stockholm (RNBS). www.rnb.se

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