

## Questions and answers for customers

### **Why is Eco Log applying for corporate reorganization?**

Eco Log has recently faced liquidity issues. We are undergoing a reorganization to overcome our challenges and to create long-term sustainable conditions for the business. There are several reasons to why the company is in this situation. Eco Log was hit hard by the Covid pandemic, which led to complications in global supply chains with component shortages as a result. In addition, Russia's invasion of Ukraine has further created disturbance in the global supply chain. The increased material costs and disruptions in supply chains have resulted in a delay of certain deliveries. Since the business is highly capital intensive, the company is particularly affected by delayed deliveries, which has led to a deterioration of the company's liquidity.

### **Which company is applying for reorganization?**

The reorganization only concerns Eco Log Sweden AB. It does not concern SP Maskiner in Ljungby AB, Maskinservice in Norden AB, Eco Group Log AB or Eco Log Försäljning AB.

### **How are customers and suppliers affected by the reorganization?**

Day-to-day operations continue as usual during the reorganization process and agreements continue to apply. Eco Log's ability to deliver as promised will not be affected by the reorganization – this means that you as a customer can be sure that your delivery will arrive on time.

For creditors/suppliers, there is automatically a default for the period before the date on which the reorganization application is approved. This means that Eco Log's debts from the period before this date, may not be paid - while all new orders are paid directly so that suppliers do not suffer risk during the process.

A reorganization can, of course, lead to uncertainty, anxiety, and many questions. We will try to handle this by informing as much as we can and answering questions, step by step during the process. You can always contact your contact person or the administrator Linda Schenholm at [linda.schenholm@carler.se](mailto:linda.schenholm@carler.se) or Niklas Jonsson at [niklas.jonsson@ecologforestry.com](mailto:niklas.jonsson@ecologforestry.com)

### **Will Eco Log be able to continue to deliver?**

Yes, business continues as usual. Customers and employees are not directly affected by the process.

### **What chances does Eco Log have to succeed with a reorganization?**

A financial reorganization means that Eco Log gets the opportunity to reorganize and rebuild the business in peace and quiet, which gives it better chances of long-term survival. The assessment is that there are good chances to succeed with a reorganization. The business has been profitable and there is great potential to solve the liquidity issues. The goal is a new start that secures jobs, availability for customers and operations in the long term.

### **What happens to the debts Eco Log has to companies?**

A financial reorganization means that the company's debts for the period up to the approval of the reorganization application are frozen and may not be paid while the reorganization is in progress. New debts, on the other hand, are paid directly. No supplier should doubt whether you will be paid by Eco Log during the reorganization. Everyone who delivers to Eco Log will be paid immediately.

### **How urgent is the situation?**

In the short term, the situation is serious. The company's liquidity has been very strained and other solutions have not been found. Although it is not desirable to be in this situation, the decision to apply for reorganization is what we can do to act as responsible as possible and ensure the company's continued operations. The now initiated reorganization is not a problem in itself – it is our

solution to the problems that the company already has. The application is deemed necessary when all other options are explored.

**How long does a reconstruction last?**

It depends on how the process proceeds but a maximum of three months with the possibility of extension.

**Where can I turn if I have more questions?**

You can always contact your regular contact person at Eco Log directly. Questions can also be sent to [linda.schenholm@carler.se](mailto:linda.schenholm@carler.se)