

BHG Group explores the conditions to carry out a directed new issue of approximately SEK 800 million

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BHG Group AB (publ) ("BHG" or the "Company") (Nasdaq Stockholm: BHG) intends to explore the conditions to carry out a directed new issue of approximately SEK 800 million, to Swedish and international institutional investors through an accelerated bookbuilding procedure (the "Share Issue"). BHG has appointed Carnegie Investment Bank AB (publ) ("Carnegie"), Danske Bank A/S, Danmark, Sverige Filial ("Danske Bank") and Skandinaviska Enskilda Banken AB ("SEB") as Joint Bookrunners to explore the conditions to carry out the Share Issue. The Company's largest shareholders EQT, Ferd and Vitruvian have expressed their support for the Share Issue and intends to participate in the Share Issue with a significant amount.

The purpose of the Share Issue is to increase financial flexibility to support future growth initiatives and strengthen the Company's financial position by reducing net debt. In the Company's interim report for the third quarter 2022, it was communicated that BHG expects a challenging market environment over the next 12–18 months. The Company preliminarily believes that the order intake for the period October–November 2022 including Black Week has developed broadly in line with the organic sales development in the third quarter 2022. Going forward BHG remains committed to leverage its market leading positions with a strong focus on profitability and cash flows.

The Share Issue is intended to be carried out with deviation from the shareholders' pre-emptive rights, and to be resolved upon by the board of directors, partly on the basis of the authorisation granted by the annual general meeting held on 5 May 2022, and partly subject to the subsequent approval by an extraordinary general meeting. The subscription price and the total number of shares will be determined through an accelerated bookbuilding procedure conducted by Carnegie, Danske Bank and SEB, which will commence immediately after the publication of this press release. Pricing and allocation are expected to take place before the commencement of trading on Nasdaq Stockholm on 7 December 2022. By establishing the subscription price through an accelerated bookbuilding procedure, it is the assessment of the board of directors that the subscription price will accurately reflect current market conditions and demand. The closing, pricing and allocation of the bookbuilding procedure is at the discretion of the Company and may be cancelled at any time. The Company will announce the outcome in a press release after the bookbuilding procedure has been completed.

The board of directors has carefully considered the option to carry out a rights issue in order to raise the requisite proceeds. In the evaluation, the board of directors has considered, among other things, the following factors: a rights issue, compared to the Share Issue (i) would be significantly more time consuming, which would lead to risks that the Company loses potential growth opportunities, (ii) would entail higher total costs for the Company, mainly due to procurement of a guarantee consortium, (iii) would expose the Company to market volatility, especially considering current market conditions, and (iv) likely would have had to be made at a lower subscription price, to the disadvantage of all the Company's shareholders. In addition, the board of directors considers it positive that the Company's shareholder base, through the Share Issue, potentially will be further diversified with Swedish and international institutional investors, which is also considered to be positive for the share's liquidity. Against this background, the board of directors' overall assessment is that the reasons for carrying out the Share Issue in this manner outweigh, in this particular case, the principal rule that new share issues shall be carried out with pre-emptive rights for existing shareholders, and that a new share issue with deviation from the shareholders' pre-emptive rights is in the interest of the Company and all shareholders.

The Company's largest shareholders EQT, Ferd and Vitruvian have expressed their support for the Share Issue and intends to participate in the Share Issue with a significant amount. If the Share Issue is carried out, the part of the Share Issue resolved upon by the board of directors on the basis of the authorisation and subscribed for by these shareholders will be settled at a later stage, once a prospectus for admission to trading in BHG shares has been approved by the Swedish Financial Supervisory Authority and made public by the Company.

Provided that the board of directors resolves on the Share Issue as set forth above, an extraordinary general meeting will be convened to approve the part of the Share Issue which is not based on the annual general meeting's issue authorisation. Some of the Company's existing shareholders, including EQT, Ferd and Vitruvian, together holding approximately 45 percent of the shares and votes in BHG, have expressed their intention to vote in favour thereof at the extraordinary general meeting.

Subject to the Share Issue being carried out, the Company has, in favour of Carnegie, Danske Bank and SEB, subject to customary exemptions, agreed not to issue further shares for a period of 180 calendar days from the first settlement date of the Share Issue. In addition, the Company's board of directors and senior executives have, subject to the Share Issue being carried out, in favour of Carnegie, Danske Bank and SEB, agreed not to divest any shares in BHG during a period of 90 calendar days from the first settlement date of the Share Issue, subject to certain exemptions.

The Share Issue is subject to BHG's board of directors resolving to issue new shares after completion of the bookbuilding procedure.

Advisers

Carnegie, Danske Bank and SEB act as Joint Bookrunners in connection with the Share Issue. Vinge is legal adviser to the Company in connection with the Share Issue.

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This information is information that BHG Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2022-12-06 17:31 CET.

About Us

BHG is the number 1 consumer e-commerce company in the Nordics. In addition to our Nordic operations, we also have a significant presence in the rest of Europe, as well as in selected markets outside of Europe. Our strong position in these markets makes us the largest European online pure-play within the Home Improvement space, meaning do-it-yourself and home furnishings. With an ecosystem of online stores, supported by physical destinations and services, such as last-mile deliveries and installation, we offer the market's leading range of well-known external and strong own brands, totalling over 1.7 million products and encompassing a complete offering within DIY, leisure, furniture and furnishings.

The Group includes over 100 online sites – including sites like www.bygghemma.se, www.trademax.se, www.chilli.se, www.furniturebox.se and www.nordicnest.se – and over 70 showrooms. We are headquartered in Malmö, Sweden, with operations throughout Europe. Our share is traded on Nasdaq Stockholm, under the ticker "BHG."

The BHG brands employ more than 3,000 people, working every day to create the ultimate online shopping experience by combining an unbeatable product range with smart technology, leading product expertise and a broad range of services.

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Company in any jurisdiction, neither from BHG nor from someone else.

This announcement does not constitute a recommendation concerning any investor's option with respect to the Share Issue. Each investor or prospective investor should conduct his, her or its own investigation, analysis and evaluation of the business and data described in this announcement and publicly available information. The price and value of securities can go down as well as up. Past performance is not a guide to future performance.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States unless registered under the US Securities Act of 1933, as amended (the "Securities Act"), or offered in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and in compliance with applicable United States state law. The offer and sale of the securities referred to herein have not been and will not be registered under the Securities Act or under the applicable securities laws of Australia, Canada and Japan. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into the United States, Australia, Canada, Japan or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations. There will be no public offer of the securities referred to herein in Sweden, the United States or any other jurisdiction.

This announcement is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. BHG has not authorised any offer to the public of shares or other securities in the United Kingdom or any member state of the EEA and no prospectus has been or will be prepared in connection with the Share Issue. In any EEA Member State, this communication is only addressed to and is only directed at "qualified investors" in that Member State within the meaning of the Prospectus Regulation.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" within the meaning of the Prospectus Regulation who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Order"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "Relevant Persons"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, Relevant Persons. Persons who are not Relevant Persons should not take any action on the basis of this press release and should not act or rely on it.

This press release does not identify or suggest, or purport to identify or suggest, the risks (direct or

indirect) that may be associated with an investment in the new shares. Any investment decision in connection with the Share Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by Carnegie, Danske Bank or SEB. Carnegie, Danske Bank and SEB are acting solely for the Company in connection with the Share Issue and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Share Issue or any other matter referred to herein. If you do not understand the contents of this press release you should consult an authorised financial adviser.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this press release or any obligation to update or revise the statements in this press release to reflect subsequent events. Readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is required by law or Nasdaq Stockholm's rule book for issuers.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in BHG have been subject to a product approval process,

which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in BHG may decline and investors could lose all or part of their investment; the shares in BHG offer no guaranteed income and no capital protection; and an investment in the shares in BHG is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Share Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Carnegie, Danske Bank and SEB will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in BHG.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in BHG and determining appropriate distribution channels.

This is a translation of the Swedish version of the press release. In case of discrepancies, the Swedish wording shall prevail.

Attachments

[BHG Group explores the conditions to carry out a directed new issue of approximately SEK 800 million](#)