BHG Group enters into agreement on share sale in Furniture1, which reduces BHG's acquisition related liabilities by SEK 450m

An agreement has been reached between BHG Group AB (Publ) ("BHG") and the founder of BHG's subsidiary Furniture1 UAB ("F1") whereby the founder of F1 will purchase 20.1% of the shares in F1 via a company owned by him. As part of the transaction, the founder of F1 will waive his put option against BHG, which leads to a reduction of SEK 450m (EUR 40m) of the group's liabilities attributable to the put option. The agreement is subject to approval by an extraordinary general meeting in BHG, scheduled for 25 July 2023, and a separate notice will be published within short. F1 will continue to be consolidated within the BHG group.

The purchase price for 20.1% of the shares in F1 consists of three parts: a cash consideration of EUR 2.5m (equivalent to SEK 28m at the current exchange rate), a condition that the founder of F1 waive his existing put option, as well as an option that gives BHG the right to buy back 20.1% of the shares in F1. By the founder of F1 renouncing his put option, BHG's obligations linked to this cease. The transaction significantly reduces BHG's acquisition related liabilities and removes the risk of a future cash flow impact of EUR 40m (equivalent to SEK 450m at the current exchange rate) that would arise if the put option was exercised.

The call option that BHG receives, if exercised, gives the group a majority of the votes in F1. As a result of the call option, F1 will continue to be fully consolidated in the BHG group. As F1 continues to be consolidated, there is no impact on earnings for the group as a result of the share sale. As the liability for the put option of approximately SEK 450m ceases, the group's equity is positively affected by the same amount. After the transaction, BHG will hold 30.0% of the shares and votes in F1.

As a result of the buyer being owned by the CEO of F1, the share sale agreement is conditional on approval by an extraordinary general meeting in BHG, scheduled for 25 July 2023. A separate notice to the extraordinary general meeting will be published within short.

Contacts

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About Us

BHG is one of the largest consumer e-commerce companies 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 one the leading European online pure-play within Do-It-Yourself (Home Improvement) and Home Furnishings (Value Home and Premium Living). 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 1.8 million products and encompassing a complete offering within DIY, 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 around 2,500 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.

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 2023-06-29 17:55 CEST.

Attachments

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