

NOT FOR RELEASE, DISTRIBUTION OR PUBLICATION IN THE UNITED STATES, AUSTRALIA, HONG KONG, JAPAN, CANADA, NEW ZEALAND, SOUTH AFRICA, SWITZERLAND OR ANY OTHER JURISDICTION IN WHICH THE RELEASE, DISTRIBUTION OR PUBLICATION WOULD BE UNLAWFUL OR REQUIRE REGISTRATION OF ANY OTHER MEASURE IN ACCORDANCE WITH APPLICABLE LAW. THIS PRESS RELEASE DOES NOT CONSTITUTE AN OFFER OF ANY SECURITIES OF KJELL GROUP AB (PUBL).

The Board of Directors of Kjell Group has resolved on a fully guaranteed rights issue of approximately SEK 199.1 million

The Board of Directors of Kjell Group AB (publ) ("Kjell Group", or the "Company") has, pursuant to the press release published by the Company on 10 December 2024, resolved on a fully guaranteed rights issue of 28,036,362 new shares, corresponding to approximately SEK 199.1 million before deduction of transaction costs, with preferential rights for existing shareholders (the "Rights Issue"). The subscription price for the Rights Issue has been set to SEK 7.10. The purpose of the Rights Issue is, in accordance with the previous communications of the Company, to strengthen the balance sheet and to finance the investment in the automated warehouse – an important step in the Company's progress towards becoming the natural choice for everyday technology.

– With the warehouse investment and capital raising, Kjell Group is taking a significant step in its ongoing journey of transformation. The new automated central warehouse will establish even better conditions for long-term and profitable growth, says Jan Friedman, Chairman of the Board of Kjell Group.

Summary

- The Rights Issue will comprise of 28,036,362 new shares entailing proceeds of approximately SEK 199.1 million before deduction of transaction costs.
- The Board of Directors' resolution regarding the Rights Issue is subject to approval by an extraordinary general meeting (the "EGM"). The EGM is scheduled to be held on or about 10 March 2025.
- The purpose of the Rights Issue to finance the automated warehouse and to strengthen the balance sheet.
- The Company's largest shareholders, FSN Capital IV^[1], the Eklund family^[2], Cervantes Capital^[3], RoosGruppen AB, Grenspecialisten AB and Strand Kapitalförvaltning^[4] have undertaken to subscribe for their respective pro rata shares and Fredrik Dahnelius has committed to invest at least SEK 1 million in the rights issue. In addition, Nordea Funds intends to subscribe to its ownership stake in the rights issue. The subscription commitments and Nordea Funds' intention cover a total of approximately 55.0^[5] percent of the rights issue.

- FSN Capital IV and Cervantes Capital have also entered into guarantee commitments for the remaining part of the Rights Issue. Thus, the rights issue is fully covered by subscription and guarantee commitments.
- FSN Capital IV, the Eklund family, Cervantes Capital, Roosgruppen AB, Grenspecialisten AB, Strand Kapitalförvaltning and Fredrik Dahnelius have also undertaken to vote in favour of the Rights Issue at the EGM on 10 March 2025.
- Provided that the Rights Issue is approved by the EGM, the record date for the Rights Issue is expected to be 12 March 2025. Those who, on the record date, are registered by Euroclear Sweden as shareholders in Kjell Group will receive one (1) subscription right for each share held in Kjell Group. Ten (10) subscription rights entitle the holder to subscribe for nine (9) new shares. The subscription period is expected to run from 14 March 2025 to 1 April 2025.

Background and reasons

Kjell Group is a leading Nordic player in home electronics accessories with a long tradition of delivering first-class customer service and one of the most complete product assortments on the market. The Company combines its carefully selected product offering, consisting of more than 10,000 items, with high-quality advice and customer service through a seamless omnichannel offering.

In recent years, the consumer electronics industry has been challenged, with cautious consumer behavior and increased competition having a negative impact on sales development, while inflation has led to increased costs. During this period, Kjell Group has been focused on adapting to the new market conditions through operational efficiencies and strategic initiatives to strengthen its competitiveness. As part of this strategy, the Company has decided to invest in a new, automated central warehouse. This investment is expected to enable faster and more efficient deliveries for both service points and e-commerce, while reducing distribution costs and increasing efficiency by around 30 percent.

Kjell Group is seeing signs of recovery in the market, with a positive trend in the number of visitors to its service points during Q4 in 2024. At the same time, the technological development is continuing at a rapid pace, driving the demand for both customer advice and products – areas where Kjell Group has one of the market's most complete assortments and a high level of expertise. The operational efficiencies and strategic initiatives that the Company has implemented are now starting to take effect, resulting in a double-digit increase in profitability in the fourth quarter of 2024.[\[6\]](#)

As an additional part of the Company's transformational journey, the Company announced on 14 February that the Board of Directors has appointed the current board member Sandra Gadd as the new CEO and President of Kjell Group. The Company's current CEO, Andreas Rylander, will remain in his current position until Sandra Gadd assumes the role, which is planned to take place in September 2025.[\[7\]](#) With a lower cost base, improved operational discipline and a clear strategic direction, the Company now believes it is well positioned for the future.

In order to finance the new automated warehouse and to strengthen its balance sheet, the Board of Directors has resolved to carry out a rights issue.

The Rights Issue

Against the above background, the Board of Directors of Kjell Group has resolved on an issue of 28,036,362 new shares, corresponding to approximately SEK 199.1 million before transaction costs, with preferential rights to existing shareholder.^[8] As further set out below, the Rights Issue is fully covered by subscription and guarantee undertakings by the Company's current shareholders.

The proceeds from the Rights Issue will partly be used to finance the investment in new automation to the new warehouse in Staffanstorp, for a total amount of approximately SEK 80 million, for the purpose of reducing the Company's distribution costs and increasing the efficiency of deliveries for both service points and e-commerce, as well as to strengthen the Company's financial position by amortizing long-term interest-bearing debt with an amount of approximately SEK 119.1 million. Those who are shareholders in the Company on the record date are entitled to subscribe for new share in the Rights Issue with preferential rights.

The subscription price has been set to SEK 7.10 per share, which means that Kjell Group will raise approximately SEK 199.1 million in the Rights Issue before deduction of costs related to the Rights Issue. The Rights Issue entails that the number of shares in Kjell Group can increase by a maximum of 28,036,362 shares, from 31,151,514 outstanding shares to not more than 59,187,876 outstanding shares, which corresponds to a dilution of up to approximately 47.4 percent of the number of outstanding shares and votes in the Company, following the completion of the Rights Issue. Shareholders who choose not to participate in the Rights Issue will have the possibility to fully or partly compensate for the economic dilution effect by either selling their subscription rights and /or sell current shares to the required extent to finance the subscription of new shares with the support of received subscription rights.

The record date for determining who is entitled to receive subscription rights in the Rights Issue is 12 March 2025. Those who, on the record date, are registered by Euroclear Sweden as shareholders in Kjell Group will receive one (1) subscription right for each share held in Kjell Group. Ten (10) subscription rights entitle the holder to subscribe for nine (9) new shares. The shares in the Company will be traded including the rights to receive subscription rights up to and including 10 March 2025. The shares will be traded excluding the rights to receive subscription rights from and including 11 March 2025. Trading of subscription rights will take place on Nasdaq First North Growth Market during the period from and including 14 March 2025 up to and including 27 March 2025. The subscription period will run from and including 14 March 2025 up to and including 1 April 2025, or the later date decided by the Board of Directors.

Subscription and guarantee undertakings and intentions to participate in the Rights Issue

FSN Capital IV, the Eklund Family, Cervantes Capital, RoosGruppen AB, Grenspecialisten AB and Strand Kapitalförvaltning have committed to subscribe for their respective pro rata shares and Fredrik Dahnelius has committed to invest at least SEK 1 million in the Rights Issue. In addition, Nordea Funds intends to subscribe to its ownership stake in the Rights Issue. The subscription

commitments and Nordea Funds' intention cover a total of approximately 55.0 percent of the Rights Issue. FSN Capital IV and Cervantes Capital have further entered into guarantee undertakings for the remaining part of the Rights Issue. Thus, the Rights Issue is covered in its entirety by subscription and guarantee undertakings.

No compensation will be paid for the subscription undertakings or guarantee undertakings. Neither the subscription or guarantee undertakings have been secured by, for example, bank guarantees, blocked funds, pledges or similar arrangements.

Extraordinary General Meeting

The Board of Directors will convene the shareholders to the EGM through a separate press release. The EGM is expected to take place on or about 10 March 2025.

Indicative timetable for the Rights Issue

Extraordinary General Meeting	10 March 2025
Last day of trading in the Company's shares including the right to receive subscription rights	10 March 2025
First day of trading in the Company's shares without the right to receive subscription rights	11 March 2025
Record date for the right to receive subscription rights in the Rights Issue	12 March 2025
Publication of the prospectus	13 March 2025
Trading in subscription rights on Nasdaq First North Growth Market	14 March 2025–27 March 2025
Subscription period	14 March 2025–1 April 2025
Trading in paid subscription shares on Nasdaq First North Growth Market (Sw. <i>Betalda tecknade aktier</i>)	14 March 2025–4 April 2025
Announcement of final outcome of the Rights Issue	3 April 2025

[1] FSN Capital GP IV Limited acting in its capacity as general partner for and on behalf of each of FSN Capital IV LP, FSN Capital IV (B) LP and FSN Capital IV Invest LP ("**FSN Capital IV**").

[2] Fosielund Holding AB and Joel Eklund ("**the Eklund family**").

[3] Cervantes Capital AB ("**Cervantes Capital**").

[4] Refers to Strand Småbolagsfond and Strand Förmögenhetsfond.

[5] Based on all outstanding shares in Kjell Group, corresponding to a total of 31,151,514 shares.

[6] Adjusted EBITA amounted to SEK 33.3 million in the fourth quarter of 2024, representing an increase of 17.3 percent compared to the fourth quarter of the previous year (SEK 28.4 million).

[7] During the spring, the incoming CEO will seek to engage in discussions with Andreas Rylander to explore ways in which Andreas extensive experience and knowledge of Kjell & Company, as well as the consumer electronics industry, can continue to benefit the Company.

[8] On 10 December 2024, Kjell Group announced its intention to carry out a rights issue in order to invest in a new automated warehouse and to strengthen its financial position.

Prospectus

Further information regarding the Rights Issue and the Company will be included in the prospectus, which is expected to be published on or about 13 March 2025.

Advisors

Carnegie Investment Bank AB (publ) is financial advisor, Global Coordinator and Sole Bookrunner in connection with the Rights Issue. White & case is legal advisor in connection with the Rights Issue.

Contact Kjell Group

Jan Friedman, Chairman of the Board of Directors +46 (0) 70 5612 422, jan@friedman.se

About Us

Kjell Group offers one of the most comprehensive assortment of electronic accessories on the market. The company operates online in Sweden, Norway, and Denmark, as well as through 145 service points, including 114 in Sweden and 31 in Norway. Headquartered in Malmö, the company generated SEK 2.6 billion in revenue in 2024.

With Kjell & Company's customer club, which boasts over 3 million members, and its Danish subsidiary AV-Cables, the Group has a unique understanding of people's technology needs. Approximately 1,200 employees work every day to improve lives through technology.

Learn more at kjell.com or kjellgroup.com

Follow us on [LinkedIn](#), [Facebook](#), [Instagram](#)

This information is information that Kjell 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 2025-02-19 08:30 CET.

IMPORTANT INFORMATION

This press release and the information herein is not for publication, release or distribution, in whole or in part, directly or indirectly, in or into the United States, Australia, Hong Kong, Japan, Canada, New Zealand, South Africa, Switzerland or any other state or jurisdiction in which publication, release or distribution would be unlawful or where such action would require additional prospectuses, filings or other measures in addition to those required under Swedish law.

None of the securities referred to herein have been or will be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction in the United States, and may not be offered, pledged, sold, delivered or otherwise transferred, directly or indirectly, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable other securities laws. There will not be any public offering of any of the securities in the United States.

In the United Kingdom, this press release is directed only at, and communicated only to, persons who are qualified investors within the meaning of article 2(e) of the Prospectus Regulation (2017/1129) of the European Parliament and of the Council of 14 June 2017 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 who are (i) persons who fall within the definition of "investment professional" in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), or (ii) persons who fall within article 49(2)(a) to (d) of the Order, or (iii) persons to whom it may otherwise be lawfully communicated (all such persons referred to in (i), (ii) and (iii) above together being referred to as "Relevant Persons"). This press release must not be acted on or relied on by persons in the UK who are not Relevant Persons.

The press release is for informational purposes only and does not constitute an offer to sell or issue, or the solicitation of an offer to buy or acquire, or subscribe for, any of the securities mentioned herein (collectively, the "Securities") or any other financial instruments in Kjell Group AB (publ). Any offer in respect of any of the Securities will only be made through the prospectus that Kjell Group AB (publ) expects to publish in due course. Offers will not be made to, and application forms will not be approved from, subscribers (including shareholders), or persons acting on behalf of subscribers, in any jurisdiction where applications for such subscription would contravene applicable laws or regulations, or would require additional prospectuses, filings, or other measures in addition to those required under Swedish law. Measures in violation of the restrictions may constitute a breach of relevant securities laws.

Carnegie Investment Bank AB (publ) is acting for Kjell Group AB (publ) in connection with the Rights Issue and no one else and will not be responsible to anyone other than Kjell Group AB (publ) for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

This press release contains forward-looking statements that reflect Kjell Group AB (publ)'s current view of future events as well as financial and operational development. Words such as "intend", "assess", "expect", "may", "plan", "estimate" and other expressions involving indications or predictions regarding future development or trends, not based on historical facts, identify forward-looking statements and reflect Kjell Group AB (publ)'s beliefs and expectations and involve a number of risks, uncertainties and assumptions which could cause actual events and performance to differ materially from any expected future events or performance expressed or implied by the forward-looking statement. The information contained in this press release is subject to change without notice and, except as required by applicable law, Kjell Group AB (publ) does not assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained in it and nor does it intend to. You should not place undue reliance on forward-looking statements, which speak only as of the date of this press release. As a result of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements as a prediction of actual future events or otherwise.

This announcement does not constitute an investment recommendation. The price and value of securities and any income from them can go down as well as up and you could lose your entire investment. Past performance is not a guide to future performance. Information in this announcement cannot be relied upon as a guide to future performance.

The securities mentioned in this press release have not been registered and will not be registered under any applicable securities law in Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or Switzerland and may, with certain exceptions, not be offered or sold within, or on behalf of a person or for the benefit of a person who is registered in, these countries. The Company has not made an offer to the public in to subscribe for or acquire the securities mentioned in this press release other than in Sweden.

In the EEA Member States, with the exception of Sweden, (each such EEA Member State, a "Relevant State"), this press release and the information contained herein are intended only for and directed to qualified investors as defined in Article 2 (e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "Prospectus Regulation"). The securities mentioned in this press release are not intended to be offered to the public in any Relevant State and are only available to qualified investors except in accordance with exceptions in the Prospectus Regulation. Persons in any Relevant State who are not qualified investors should not take any actions based on this press release, nor rely on it.

Press Release
19 February 2025 08:30:00 CET

Kjell & Company

Attachments

[The Board of Directors of Kjell Group has resolved on a fully guaranteed rights issue of approximately SEK 199.1 million](#)