

BHG Group has carried out a directed issue of 16,393,443 shares, raising proceeds of SEK 1.0 billion

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BHG Group AB (publ) ("BHG" or the "Company") (Nasdaq Stockholm: BHG) has successfully carried out a directed new issue of 16,393,443 shares, at a subscription price of SEK 61 per share, entailing proceeds of SEK 1,000 million (the "Share Issue"). The subscription price was determined through an accelerated bookbuilding procedure conducted by Carnegie Investment Bank AB (publ) ("Carnegie") as Sole Global Coordinator and Joint Bookrunner and Danske Bank A/S, Danmark, Sverige Filial ("Danske Bank") together with Skandinaviska Enskilda Banken AB ("SEB") as Joint Bookrunners. The Share Issue was oversubscribed and a large number of Swedish and international institutional investors, as well as certain existing shareholders, participated in the Share Issue. The Company's largest shareholder EQT participated in the Share Issue with a significant amount.

The board of directors of BHG has, as indicated in the Company's press release on 3 May, resolved on a directed new issue of 16,393,443 shares, at a subscription price of SEK 61 per share, consequently raising proceeds of SEK 1,000 million before transaction costs. The resolution was based on the authorisation from the annual general meeting held on 5 May 2021.

The aim of the Share Issue is to increase the Company's financial readiness to support future growth initiatives, primarily through continued acquisitions, and to maintain financial flexibility. BHG's financial targets include, inter alia, the objective to achieve net sales of SEK 20 billion over the medium term, including acquisitions. The Company aims at increasing net sales over the medium term of on average 20–25 percent per annum, whereof approximately 15 percent shall comprise organic growth.

BHG sees an attractive M&A-pipeline for 2022 ahead, with significant synergies and which can be implemented at attractive relative valuations. With support of its largest shareholders and the board of directors, BHG sees significant potential for continued acquisitions in order to support the strategy for profitable growth in the future.

BHG aims to further strengthen its financial readiness to finance further acquisitions for continued expansion in accordance with the Company's financial targets. The board of directors has chosen to increase the Company's financial readiness by carrying out a directed issue, instead of a rights issue, as the time needed to carry out a rights issue risks leading to the Company losing potential acquisition opportunities. In addition, the board of directors considers it positive that the Company'

s shareholder base is further diversified with Swedish and international institutional investors, which is also considered to be positive for the share's liquidity.

The board of director's overall assessment is that the reason for carrying out the Share Issue in this manner overweigh 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 subscription price was determined through an accelerated bookbuilding procedure, and it is therefore the board of directors' assessment that the subscription price accurately reflects current market conditions and demand.

The transaction entails a dilution of approximately 11.7 percent of the number of shares and votes in BHG after the Share Issue. The number of shares and votes in BHG will thereby increase by 16,393,443, from 123,815,730 to 140,209,173. The share capital in the Company will increase by SEK 491,803,29, from SEK 3,714,471,90 to SEK 4,206,275.19.

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

Advisers

Carnegie acts as Sole Global Coordinator and Joint Bookrunner and Danske Bank together with SEB acts as Joint Bookrunner in connection with the transaction. Advokatfirman Vinge KB is legal adviser to the Company and White & Case Advokat AB is legal adviser to Sole Global Coordinator och Joint Bookrunners in connection with the transaction.

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 2022-05-04 00:10 CEST.

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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 close 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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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 transaction 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 transaction 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 not 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 has carried out a directed issue of 16,393,443 shares, raising proceeds of SEK 1.0 billion](#)