

Kjell Group invests in a new automated warehouse and intends to strengthen its financial position through a fully guaranteed rights issue

As part of the development of Kjell Group AB (publ) ("Kjell Group" or the "Company") as the obvious choice in everyday technology, and to enable continued profitable growth, the Company is investing in a new state-of-the-art automated robot warehouse. The new central warehouse will enable even faster and more efficient deliveries for both service points and e-commerce. The investment in automation is estimated to amount to approximately SEK 80 million during 2025-2026. Kjell Group intends to carry out a fully guaranteed rights issue of at least SEK 200 million at the beginning of next year to finance the automated warehouse and strengthen the balance sheet.

"After many years with our current central warehouse, we are now taking the next step with a new automated warehouse for increased cost efficiency and to enable effective expansion. The Company's e-commerce has grown strongly in recent years and today accounts for about one third of the Group's sales. Through our new automated central warehouse, we have great opportunities for increased efficiency in all channels and the opportunity to deliver additional value to our customers and shareholders. We look forward to the future with confidence and expect a gradual improvement in the market in 2025 as consumer confidence is expected to strengthen", says Andreas Rylander, President and CEO of Kjell Group.

The new central warehouse

The new state-of-the-art warehouse in Staffanstorp, just east of Malmö, will have a cost-effective and climate-smart automation solution from Autostore. Robots will pick and pack goods to meet increasing sales volumes, optimize the efficiency of the logistics chain and improve the customer offering. The investment in automation is estimated to amount to approximately SEK 80 million in 2025-2026 and is expected to reduce distribution costs and increase efficiency by approximately 30 percent. The new warehouse is expected to be operational during the fourth quarter of 2025 and fully integrated during 2026.

Kjell Group has entered into a long-term lease agreement for the warehouse property with the property development company Logicenters. The new central warehouse is approximately 10,000 square meters with the possibility of further expansion in the future. The property is environmentally certified and is designed to minimize energy use with solar panels installed on the roof. The lease agreement will be reported in the Company's balance sheet according to IFRS16.

The rights issue

In order to finance the investment in automation, and to strengthen Kjell Group's financial position, the Board of Directors intends to resolve on an issue of new shares with preferential rights for existing shareholders of at least SEK 200 million, which is expected to be carried out at the beginning of 2025, subject to approval at an extraordinary general meeting. The company's largest shareholders FSN Capital IV[1], the Eklund family[2], Cervantes Capital[3], RoosGruppen AB,

Grenspecialisten AB and Strand Asset Management^[4] have committed to subscribe for their respective pro rata share, and Fredrik Dahnelius has committed to invest at least SEK 1 million, of the rights issue. In addition, Nordea Funds intends to subscribe for its ownership interest in the rights issue. The subscription commitments and Nordea Funds' intention cover a total of approximately 55 percent of the rights issue. FSN Capital IV and Cervantes Capital have also entered into guarantee commitments for the remaining part of a rights issue amount of SEK 200 million on market terms. Thus, the rights issue is fully covered by subscription and guarantee commitments. No compensation will be paid for the subscription and guarantee commitments. Further information about the planned rights issue, including terms and conditions, will be published at a later date.

After the rights issue has been completed, the new central warehouse has been put into operation and other cost savings have been realized, Kjell Group's Board of Directors and management expect that the debt will decrease toward the financial target of <2.5 times net debt/EBITDA^[5].

[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] Net financial liability in relation to adjusted EBITDA_AL, rolling twelve months.

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.

Certified adviser

FNCA Sweden AB is the company's certified adviser.

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About Us

Kjell Group offers the most comprehensive assortment of electronic accessories on the market. The company operates online in Sweden, Norway, and Denmark, as well as through 146 service points, including 115 in Sweden and 31 in Norway. Headquartered in Malmö, the company generated SEK 2.6 billion in revenue in 2023.

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

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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 2024-12-10 08:00 CET.

Attachments

[Kjell Group invests in a new automated warehouse and intends to strengthen its financial position through a fully guaranteed rights issue](#)