

Kjell & Company publishes prospectus in connection with the listing on Nasdaq First North Growth Market

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Kjell Group AB (publ) ("Kjell & Company" or the "Company"), a leading^[1] player in consumer electronics accessories, announced on 30 August 2021 its intention to launch an initial public offering of the Company's shares on Nasdaq First North Growth Market ("the Listing" or "the Offering"). The Offering consists of a combination of new shares issued by the Company and existing shares offered by the Selling Shareholders (defined below). The prospectus for the Offering has today been approved by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) and will be published on the Company's website. The first day of trading is expected to be 16 September 2021.

The Offering in brief:

- The Offering is directed to institutional investors in Sweden and internationally as well as to the general public in Sweden.
- The Offering will be conducted at a fixed price of SEK 55 per share, corresponding to a market value of the Company's shares of SEK 1,713m upon completion of the Offering.
- The Offering comprises 7,272,727 newly issued shares corresponding to approximately SEK 400m as well as 9,380,177 existing shares, which are offered by the principal owner FSN Capital IV^[2] as well as a few other shareholders (together with FSN Capital IV, the "**Selling Shareholders**"), corresponding to approximately SEK 516m. The total Offering, excluding over-allotment, amounts to approximately SEK 916m.
- In order to cover any potential over-allotment in connection with the Offering, the principal owner FSN Capital IV, Kjell Dahnelius, Marcus Dahnelius and Mikael Sundin have committed, upon request of the Joint Global Coordinators, to offer up to an additional 2,497,935 existing shares, corresponding to up to approximately SEK 137m or up to 15% of the total number of shares in the Offering (the "**Over-allotment Option**").
- Provided that the Offering is subscribed in full and that the Over-allotment Option is exercised in full, the Offering amounts to SEK 1,053m, corresponding to approximately 61.5% of the total number of shares in the Company upon completion of the Offering.
- After the Offering, FSN Capital IV will own approximately 22.9% of the Company's shares, assuming that the Offering is subscribed in full and that the Over-allotment Option is exercised in full.

- AMF Fonder, Carnegie Fonder, Fosielund Holding, Lazard Asset Management, LMK Venture Partners, RoosGruppen and Strand Kapitalförvaltning have, subject to certain conditions, undertaken to acquire shares in the Offering for a total amount of SEK 523m. The undertakings represent, in aggregate, 30.5% of the total shares in the Company upon completion of the Offering.
- The application period to the general public in Sweden is expected to take place between 7 and 14 September 2021. The application period for institutional investors is expected to take place between 7 and 15 September 2021.
- The first day of trading on Nasdaq First North Growth Market is expected to be 16 September 2021. Settlement is expected to take place on 20 September 2021. The Company's shares will trade under the ticker "KJELL".
- A prospectus with full terms, conditions and instructions for the Offering will be published today 6 September 2021 on the Company's website, www.kjellgroup.com, and on Carnegie's and Nordnet's websites.

Andreas Rylander, CEO, comments:

"It is with great humility we notice the interest to invest in Kjell & Company. We are also very happy that such reputable investors already have committed to invest. We look forward to offer additional new owners to be part of our continued development of Kjell & Company together with our customers and employees. Together we make technology accessible for all!"

About Kjell & Company

Since the Company's inception in 1988, Kjell & Company has become a leading¹ player in consumer electronics accessories, with presence in Sweden, Norway and Denmark. The Company combines a large product range with a high degree of advice and customer service, which is offered via an omni-channel offering – online, through 130 service points (of which 107 are in Sweden and 23 in Norway) and in partnership with Circle K at 292 stations across Sweden. Through the acquisition of the online player AV-Cables, completed on 29 April 2021, Kjell & Company is also established in the Danish market and further strengthens its position in the Nordics.

Sales from Kjell.com is seamlessly integrated with the service points and during the period April to June 2021, the Company's online sales made up about 35%^[3] of sales. Kjell & Company aims to provide the best possible customer experience irrespective of sales channel and customers are offered personal service and advice, both online and in person. Delivery is swift, with same day delivery in several cities and within one day to about 70% of the Swedish population^[4].

Through Kjell & Company's loyalty club, with approximately 2.4 million members⁴, the Company has an in-depth understanding of people's technology needs, and the Company's approximately 1,200⁴ employees work daily to enhance everyday lives through technology. Kjell & Company's clear focus on the customer experience is evident from the Company's high customer satisfaction and average rating of 9.2 of 10.0 on Prisjakt^[5] and NPS of 75^[4] ^[6].

Kjell & Company has historically achieved a strong organic net sales growth, with a compound annual growth rate (“**CAGR**”) of 18.8% for the financial years 2000–2020. During the period, Kjell & Company has increased its net sales every year. A clear focus on customer satisfaction combined with a curated assortment has, together with the omni-channel platform, contributed to high margins. The adjusted EBITA margin was 7.3% for the financial year 2020 despite negative effects from the Covid-19 pandemic.

Kjell & Company consider themselves having a number of strengths and competitive advantages, which the Company assesses have contributed to the positive historical performance and which are assumed to contribute to future capacity in achieving long-term strategic and financial targets:

- Market leading[7] player in an attractive and growing market.
- Integrated omni-channel platform with high degree of convenience for customers.
- Customer-centric offering with a strong focus on service and technical expertise.
- High customer satisfaction from a large and growing loyalty club that enables data-driven improvements.
- Strong corporate culture and experienced Group management that has delivered strong results over time.
- Long history of continuous growth.

Background to the Offering

The Company's board of directors and management, together with the principal owner FSN Capital IV, believe that the Offering and Listing of the Company's shares is a logical and important step in Kjell & Company's continued development that will further increase awareness of the Company and its operations among existing and potential customers and suppliers. The Offering and the Listing will broaden the Company's shareholder base and provide access to Swedish and international capital markets, which is expected to promote the Company's continued growth and development.

The Company intends to use the entire net proceeds to repay loans outstanding and thereby reduce its financial leverage ratio and align it with Kjell & Company's financial target for the capital structure.

Stabilisation

In connection with the Offering, Nordea acting as stabilisation manager (the “Stabilisation Manager”) may, to the extent permitted pursuant to Swedish law, carry out transactions aimed to support the market price of the Company's shares above those that might otherwise prevail in the open market for up to 30 days from the commencement of trading in the Company's shares on Nasdaq First North Growth Market. The Stabilisation Manager is, however, not required to carry out such transactions and there is no assurance that such activities will be undertaken. Such transactions may be effected on any securities market, including Nasdaq First North Growth Market, over-the-counter market or otherwise. The transactions, if commenced, may be discontinued at any time without prior notice but must be ended no later than by the end of the abovementioned 30-day period. No later than by the end of the seventh trading day after

stabilisation transactions have been undertaken, it shall be made public that stabilisation measures have been performed in accordance with article 5(4) of EU's Market Abuse Regulation 596/2014. Within one week from the end of the stabilisation period, the Stabilisation Manager will make public whether or not stabilisation was undertaken, the date at which stabilisation started, the date at which stabilisation last occurred as well as the price range within which stabilisation was carried out, for each of the dates during which stabilisation transactions were carried out.

Prospectus and application

The prospectus (in Swedish with an English translation), containing complete terms and conditions of the Offering will today be published on the Company's website (www.kjellgroup.com), Carnegie's website (www.carnegie.se) and Nordnet's website (www.nordnet.se). Application can be made through Nordnet's internet service, www.nordnet.se, and through Carnegie for existing clients.

Preliminary timetable

Publication of the prospectus: 6 September 2021

Application period for the general public in Sweden: 7 September 2021 – 14 September 2021

Application period for institutional investors: 7 September 2021 – 15 September 2021

First day of trading on Nasdaq First North Growth Market: 16 September 2021

Settlement date: 20 September 2021

About FSN Capital Partners

FSN Capital Partners is an investment advisory firm acting exclusively on behalf of the FSN Capital funds with EUR 3.1 billion under management. The funds make control investments in growth-oriented Northern European companies with enterprise values up to EUR 500 million to support further growth.

Established in 1999, FSN Capital is a leading private equity adviser in the Northern European region with offices in Stockholm, Oslo, Copenhagen and Munich. FSN Capital seeks to act with the highest level of integrity, taking a responsible approach when interacting with portfolio companies, advisors, investors, local communities, and the environment.

Advisors

Carnegie Investment Bank AB (publ) and Nordea Bank Abp, filial i Sverige, are Joint Global Coordinators and Joint Bookrunners. White & Case is legal advisor to the Company and FSN Capital IV. Baker McKenzie is legal advisor to the Joint Global Coordinators and Joint Bookrunners.

FNCA Sweden AB is the Company's certified adviser. FNCA can be reached at info@fnca.se or +46 8 528 00 399.

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Important information

This announcement is not an offer to sell or a solicitation of any offer to buy any securities issued by Kjell Group AB (publ) (the "**Company**") in any jurisdiction where such offer or sale would be unlawful.

This announcement is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (together with any related implementing and delegated regulations, the "**Prospectus Regulation**"). A prospectus regarding the Offering is available on the Company's website. All investment decisions regarding the Offering should be made on the basis of the information in the Prospectus. The Swedish Financial Supervisory Authority, as the national competent authority under the Prospectus Regulation, has reviewed and approved the Prospectus. The Swedish Financial Supervisory Authority's approval should not be considered as an endorsement of the Company or support for the securities described in the Prospectus. The Swedish Financial Supervisory Authority does not guarantee that the information in the Prospectus is correct or complete. Investors should not invest in any securities referred to in this announcement except on the basis of information contained in the aforementioned Prospectus.

In any EEA Member State other than Sweden, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

This document and the information contained herein are not for distribution in or into the United States of America. This document does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities in the United States. Any securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States absent registration or an applicable exemption

from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States.

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 (as defined in the Prospectus Regulation as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018) and who are (i) investment professionals falling within 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, and other persons to whom this announcement may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**"). This communication must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Persons distributing this communication must satisfy themselves that it is lawful to do so.

Carnegie Investment Bank AB (publ) ("**Carnegie**") and Nordea Bank Abp, filial i Sverige ("**Nordea**") are acting as financial advisers to the Company and FSN Capital IV, and no one else, in connection with the Offering. Carnegie and Nordea will not consider any other persons as customers in relation to the Offering and are not responsible to anyone other than the Company and FSN Capital IV for providing the protection Carnegie and Nordea offer to their customers, or to provide advice in connection with the Offering or any other transaction, question or arrangement referenced in this press release.

Forward-looking statements

This announcement may contain certain forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe," "expect," "anticipate," "intends," "estimate," "will," "may," "continue", "should" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. 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 information, opinions and forward-looking statements contained in this communication speak only as at its date, and are subject to change without notice. The Company does not undertake any obligation to review, update, confirm or 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 announcement.

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 Company's shares 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 "**EU Target Market Assessment**"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of such shares to eligible counterparties and professional clients are appropriate (the "**UK Target Market Assessment**" and, together with the EU Target Market Assessment, the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares in the Company may decline and investors could lose all or part of their investment; the shares in the Company offer no guaranteed income and no capital protection; and an investment in the Company's shares 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 Offering.

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 UK MiFIR; 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 the Company.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the shares in the Company and determining appropriate distribution channels

[1] Arkwright – Market Study. Kjell & Company and Elgiganten are both market leaders in the Swedish CEA market with a market share of about 11% each.

[2] 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").

[3] Includes Click-and-Collect which made up about 9% of sales.

[4] As per 30 June 2021.

[5] Prisjakt Classic on prisjakt.nu as per 8 August 2021.

[6] Net Promoter Score. A 75 rating implies that 78% has responded 9 or 10 on a scale from 0-10, where 10 is the best rating the customer can give. The share that has responded 0-6 amounts to only 3%.

[7] Arkwright – Market Study. Kjell & Company and Elgiganten are both market leaders in the Swedish CEA market with a market share of about 11% each.

Attachments

[Kjell & Company publishes prospectus in connection with the listing on Nasdaq First North Growth Market](#)