

Uden, the Netherlands, 14 October 2019

Beter Bed Holding reaches agreement on the divestment of Matratzen Concord

Highlights:

- Beter Bed Holding is pleased to announce it has reached agreement with Magical Honour Limited for the divestment of Matratzen Concord Germany, Switzerland and Austria for a purchase price of € 5 million in cash, plus an additional contingent deferred payment in cash dependent on the performance of Matratzen Concord in the first year after completion.
- Completion of the divestment is expected by the end of 2019, at the latest, and is subject to regulatory approval in Germany, limited confirmatory due diligence and Beter Bed Holding's shareholder approval.
- As part of the investment in Matratzen Concord, Magical Honour Limited is committing to invest € 15 million in Matratzen Concord to ensure the company's recovery and future growth.
- The divestment of Matratzen Concord is accompanied by a concurrent equity investment in Beter Bed Holding of Magical Honour Limited of € 5 million, consisting of 2.15 million shares at € 2.32 per share.
- The agreement significantly enables the return to financial stability of Beter Bed Holding and positions the company for sustainable growth.

John Kruijssen, CEO of Beter Bed Holding, comments:

"This transaction creates an improved financial platform in line with our previously announced strategy, permitting us to focus on our core operations in the Benelux, along with the Wholesale and Digital channels, and the operations in Sweden. This combined transaction of the divestment and the equity investment will enable Beter Bed Holding to continue the transformation to once again become a financially robust company. We welcome Magical Honour Limited as an anchor shareholder to Beter Bed Holding.

At the same time, it ensures Matratzen Concord operates in an environment where it can fully recover its potential. We continue to see the potential of the Matratzen Concord chain, and with the right focus and the much needed investments that are secured by this transaction, we believe all its stakeholders, including its employees, can enjoy a sustainable future."

Extraordinary General Meeting of Shareholders (EGM)

Beter Bed Holding will hold an EGM on 26 November to request shareholders' approval for the divestment of Matratzen Concord and the issuance of 2.15 million new shares. The meeting will be convened in the customary manner. The agenda and notice will be published on Beter Bed Holding's website by 14 October.

Further details

The purchasing entity is a vehicle that consists of an Asian private equity investor with strong ties to key players in the bedding industry. It has a strong track record of ownership, transformation and realisation of investment returns. In order to transform Matratzen Concord, Magical Honour Limited will leverage strong industrial expertise to drive sourcing synergies, to realise shorter route-to-market for both product and technology innovations, and to benefit from vertical industry integration opportunities. At the same time the operational results of Matratzen Concord have recently stabilised under leadership of the new management Marc-Derek Schönberger (CEO) and Henry Cohen (CFO). It is the intention of all parties involved that they will continue as the Management Board of Matratzen Concord under Magical Honour Limited's ownership.



The purchase price for all activities of Matratzen Concord in Germany, Austria and Switzerland will be € 5 million on a cash- and debt free basis corrected for certain working capital and operational accruals, upon completion of the divestment. The parties agreed upon an additional contingent deferred payment from Matratzen Concord to Beter Bed Holding if certain profitability milestones are met in the first year after the transaction.

After completion of the equity investment at a premium of 36% compared to the closing share price of 11 October 2019, Magical Honour Limited will own circa 8.9% of the shares of Beter Bed Holding, demonstrating the commitment of both parties to actively pursue the attractive strategic and financial benefits that this transaction offers to both parties.

This combined transaction of the divestment and the equity investment provides additional liquidity to Beter Bed Holding in order to continue its transformation to once again become a financially robust company. The focus of the remaining company will be on the core operations in the Benelux, which is well positioned to accelerate the current growth by further investing in new products, campaigns, technology and the expertise of the employees.

Profile

Beter Bed Holding is a European retail organisation that offers its customers the best quality rest at affordable prices. The organisation's aim is to do this through its international retail brands, through its own wholesaler operation DBC International and, at an increasingly relevant share, through Digital channels.

This press release contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

For more information

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Offer best quality rest @ affordable prices