

## Extraordinary General Meeting in Bang & Olufsen a/s

### **IMPORTANT NOTICE IN RELATION TO COVID-19**

***Due to the COVID-19 pandemic and in consideration of the health and safety of all shareholders and Bang & Olufsen a/s' Management and other representatives as well as the Danish government's present ban on assemblies of more than 10 people, Bang & Olufsen a/s' Board of Directors urges all shareholders NOT to attend the Extraordinary General Meeting in person.***

***Instead shareholders are urged to vote either by proxy or by postal vote. Please use the separate form referred to below under "Proxy and postal votes" for this purpose.***

***Shareholders will be able to follow (but not to vote at) the Extraordinary General Meeting electronically and to ask questions to the Board of Directors and Management via an electronic Q&A function. For further information please see the Shareholder Portal on <https://investor.bang-olufsen.com> as further described below.***

***Shareholders who nonetheless wish to participate in the Extraordinary General Meeting in person are advised that restrictions will apply in respect of access to the premises where the Extraordinary General Meeting is held, and that these restrictions may preclude individuals from access based on their recent travel history, quarantine and/or signs of illness.***

***There will not be served any refreshments at the Extraordinary General Meeting.***

***In case Bang & Olufsen a/s' Board of Directors decides to take any additional precautionary measures, other than those described in this notice, prior to the holding of the Extraordinary General Meeting, details of such measures will be communicated to the shareholders through a company announcement on the company's website, <https://investor.bang-olufsen.com> and to the shareholders who have requested this in advance.***

### **Introduction**

Further to company announcement no. 19.22, the Board of the Directors of Bang & Olufsen a/s hereby convenes an Extraordinary General Meeting to be held on Wednesday, 3 June 2020 at 5.00 pm CEST at the offices of Gorrissen Federspiel Advokatpartnerselskab, Axeltorv 2, DK-1609, Copenhagen V, Denmark.

The purpose of the Extraordinary General Meeting is to enable the shareholders to adopt the resolutions required to launch a rights issue with anticipated gross proceeds between DKK 400 million and DKK 410 million. As the offer price in the rights issue will be lower than the current nominal value of the company's existing shares, the rights issue presupposes the adoption of a simultaneous resolution to reduce the nominal value of the company's shares through a share capital reduction.

The Board of Directors expects to complete the annulment of 2,273,449 treasury shares as approved by the annual general meeting on 21 August 2019, subject to approval of the below proposals.

The agenda for the Extraordinary General Meeting therefore comprises the following proposals from the Board of Directors:

### **Agenda**

Proposals from the Board of Directors:

1. Proposal to reduce the nominal value of the company's shares through a share capital reduction.

2. Proposal to initiate a rights issue by increasing the company's share capital with pre-emptive subscription rights for existing shareholders.
3. Proposal to repeal the existing authorisations to issue new shares in article 4, section 4-7 of the Articles of Association.

### **Complete proposals**

#### **Item 1: Proposal to reduce the nominal value of the company's shares through a share capital reduction**

The Board of Directors proposes to reduce the nominal value of the company's shares from DKK 10 to DKK 5, or such lower amount between DKK 1 and DKK 5 as may be proposed by the Board of Directors and published in a company announcement prior to the Extraordinary General Meeting, where the final amount will be submitted to the shareholders for approval.

The total share capital reduction will amount to DKK 215,987,390 in case of a reduction to DKK 5 per share and to DKK 388,777,302 in case of a reduction to DKK 1 per share. Assuming the prior completion of the cancellation of 2,273,449 treasury shares as approved by the annual general meeting held on 21 August 2019, the amounts will be DKK 204,620,145 and DKK 368,316,261, respectively.

The share capital reduction amount will be transferred to a special reserve, cf. section 188(1)(3) of the Danish Companies Act, at a rate of DKK 0.01 per share, adding the remainder of the reduction amount to the company's free reserves.

The adoption of the resolution for the capital reduction will not result in any payment to shareholders, and the total number of shares and relative voting rights held by each shareholder will be unaffected by the adoption of the resolution.

In case of approval and completion of the share capital increase proposed under item 2 of the agenda, no notice to creditors will be required and the share capital reduction will be registered upon completion and registration of the share capital increase, cf. section 192(2) of the Danish Companies Act. In case the share capital increase is not approved or completed, notice to creditors will be required prior to completion and registration of the share capital reduction.

Upon completion of the share capital reduction, article 4, section 1, article 4, section 3 and article 7, section 2 of the Articles of Association will be amended to reflect the revised nominal value of the company's shares. Article 4, section 3 and article 7, section 2 will be amended as follows:

*"Article 4, section 3. The nominal value of each share is DKK 0.1 or multiples thereof."*

*"Article 7, section 2. At general meetings, each share amount of DKK 0.1 shall carry one vote."*

A copy of the documents required under section 185 cf. section 156 of the Danish Companies Act is available on the company's website, <https://investor.bang-olufsen.com>.

#### **Item 2: Proposal to initiate a rights issue by increasing the company's share capital with pre-emptive subscription rights for existing shareholders**

The Board of Directors proposes to initiate a rights issue by increasing the company's share capital with pre-emptive subscription rights for existing shareholders.

*Offer price and size of the offering:* The gross proceeds from the rights issue shall be between DKK 400 million to DKK 410 million and the offer price per new share shall be DKK 5 per share or such lower amount at or above par value as may be proposed by the Board of Directors and published in a company announcement prior to the Extraordinary General Meeting, where the final amount will be submitted to the shareholders for approval.

The related share capital increase will be between nominally DKK 204,620,145 and DKK 410,000,000 and shall equal or exceed the share capital reduction adopted under item 1.

The final offer price, share capital increase amount and resulting aggregate gross proceeds will be proposed by the Board of Directors prior to the Extraordinary General Meeting following consultations with the company's financial advisors and will be announced as a company announcement prior to the Extraordinary General Meeting, where the final terms are to be submitted to the shareholders for approval.

*Prospectus:* The company will publish a prospectus which will form the basis for the offering and admission to trading and official listing of the new shares on Nasdaq Copenhagen A/S. The prospectus will contain details on the terms and conditions of the offer to be defined by the Board of Directors, including information on the allocation and exercise of pre-emptive subscription rights and applicable statutory restrictions. Subscription and issuance of new shares will be effected on the basis of the prospectus.

*Subscription for remaining shares:* Any new shares not subscribed for by exercise of pre-emptive subscription rights (remaining shares) may, without compensation to the holders of the unexercised pre-emptive subscription rights, be subscribed for by other existing shareholders, qualified investors or guarantors, who in each case will subscribe pursuant to separate subscription undertakings as set out in the prospectus before the end of the subscription period. In case of oversubscription, the remaining shares will be allocated according to apportionment keys determined by the Board of Directors.

*Timetable:* The expected timetable for the rights issue is as follows:

Announcement of prospectus:	4 June 2020
Last day of trading in existing shares including pre-emptive subscription rights:	8 June 2020
First day of trading in existing shares ex pre-emptive subscription rights:	9 June 2020
First day of rights trading period:	9 June 2020
Allocation time of pre-emptive subscription rights:	10 June 2020 at 5.59 p.m. CEST
First day of subscription period:	11 June 2020
Last day of rights trading period:	22 June 2020
Last day of subscription period:	24 June 2020
Allocation of remaining shares:	26 June 2020
Expected date of publication of the results of the offering:	26 June 2020
Deadline for payment of remaining shares:	30 June 2020
Expected registration of the new shares with the Danish Business Authority:	1 July 2020

Any changes to the timetable will be published by the company as a company announcement.

*Other terms of the new shares:* Payment for the new shares shall be made in cash and the new shares shall be paid up in full. The new shares may be subscribed for by exercise of pre-emptive subscription rights during the subscription period as set out above. The new shares shall be issued in the name of the holder and shall be issued as negotiable instruments. No shareholders shall be under an obligation to have their new shares redeemed and no limitations shall exist in relation to the transferability of the new shares. The new shares will be issued through VP Securities A/S as soon as possible after the receipt by the company of

the subscription amounts. The new shares shall have the same rights as the existing shares and the rights, including the right to receive dividend, shall apply as from the time the new shares have been registered with the Danish Business Authority. There shall be no restrictions on the pre-emptive subscription rights of the new shares in relation to future capital increases except as provided for in the Articles of Association and applicable law. The company may restrict shareholders from exercising pre-emptive subscription rights to the extent such exercise is contrary to applicable laws. The estimated costs of the share capital increase, which shall be paid by the company, amount to approximately DKK 250,000 (not including other transaction related costs such as costs of prospectus, advisor costs and fees).

A copy of the documents required under section 156 of the Danish Companies Act are available on the company's website, <https://investor.bang-olufsen.com>.

*Related amendments of the articles of association:* Upon completion of the share capital increase and the share capital reduction set out under agenda item 1, article 4, section 1, of the Articles of Association will be amended to reflect the company's revised share capital.

*Authorisation:* As part of the proposal, the Board of Directors proposes that it be authorised (i) to apply for registration of the resolutions passed under items 1 and 2 with the Danish Business Authority, (ii) to determine the final offering terms and conditions for the capital increase in the prospectus which will be published in relation thereto, (iii) to notify and file the capital reduction adopted under item 1 and the capital increase adopted under item 2 of the agenda to the Danish Business Authority when they are final and have been completed, and (iv) to make any such amendments to the recorded resolutions and the filings as may be required or requested by the Danish Business Authority, VP Securities A/S, Nasdaq Copenhagen A/S or any other public authority as a condition for registration or approval.

### **Item 3: Proposal to repeal the existing authorisations to issue new shares in article 4, sections 4-7 of the Articles of Association**

The Board of Directors proposes to repeal the existing authorisations to issue new shares in articles 4, sections 4-7 of the Articles of Association. The proposal is submitted subject to approval of the resolutions under agenda items 1 and 2 above.

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### **Voting rights and required majority**

As of the date of distribution of the notice convening the Extraordinary General Meeting, the company's nominal share capital totals DKK 431,974,780, divided into shares of DKK 10 each or multiples thereof. Each share of the nominal value of DKK 10 carries one vote.

The proposals under agenda items 1, 2 and 3 must be approved by at least two thirds of the votes cast as well as at least two thirds of the share capital represented at the Extraordinary General Meeting.

### **Registration date and rights**

The registration date is 27 May 2020. A shareholder's right to participate and vote at the Extraordinary General Meeting is determined on the basis of the shares for which the shareholder on the registration date, has been registered in the company's register of shareholders or for which the shareholder at that time has notified and documented his/her acquisition to the company.

### **Convening notice and other information made available to shareholders**

The notice convening the Extraordinary General Meeting will be published and distributed in accordance with article 6 of the company's Articles of Association. The Extraordinary General Meeting will be convened via the company's website and by email to shareholders registered by name in the register of shareholders, who have so requested. The notice to convene is further published via Nasdaq Copenhagen A/S. If you wish to

receive the notice and/or the complete proposals by mail, please contact Computershare A/S by email to [gf@computershare.dk](mailto:gf@computershare.dk) or on phone +45 45460999.

The agenda and the complete proposals will be available for the shareholders' inspection at the company's office at Bang og Olufsens Allé 1, DK-7600 Struer, Denmark, and on the Shareholder Portal via <https://investor.bang-olufsen.com> by login with username and password or NemID from Tuesday, 12 May 2020. The agenda and complete proposals, the annual report 2018/2019 including the audited financial statements and consolidated financial statements, the statement by the Board pursuant to section 156(2)(2) and section 185, cf. section 156(2)(2) of the Danish Companies Act as well as the relating declaration by the auditors, information about the total number of shares and voting rights as of the date of distribution of the notice convening the Extraordinary General Meeting and the forms to be used for voting by proxy and postal voting are also available on the company's website, <https://investor.bang-olufsen.com>.

#### **Admission card**

Please note that the Board of Directors' request all shareholders NOT to attend the Extraordinary General Meeting in person due to the COVID-19 pandemic, but instead to vote via proxy or postal vote.

Any shareholder is entitled to attend the Extraordinary General Meeting, if the shareholder has requested an admission card upon presentation of appropriate identification no later than Friday, 29 May 2020, at 11.59 pm CEST.

Admission cards for the Extraordinary General Meeting may be requested:

- online via the Shareholder Portal on the company's website, <https://investor.bang-olufsen.com>;
- by completing, signing and forwarding the registration form by email to [gf@computershare.dk](mailto:gf@computershare.dk) or by letter to Computershare A/S, Lottenborgvej 26 D, 1. sal, DK-2800 Kgs. Lyngby, Denmark, or by using the registration form available on the company's website, <https://investor.bang-olufsen.com>. Please note the delivery time of the postal services if the registration form is sent by ordinary mail; or
- by contacting Computershare A/S, Lottenborgvej 26 D, 1. sal, DK-2800 Kgs. Lyngby, Denmark on phone +45 45460999 (weekdays from 9.00 am to 15.00 pm CEST).

Admission cards are only sent electronically by email to the email address indicated in the Shareholder Portal at registration. The admission card must be presented at the Extraordinary General Meeting either electronically on a smartphone/tablet or as a printed version. Shareholders who have ordered admission cards without specifying their email address can pick up the admission card at the entrance of the Extraordinary General Meeting by presentation of a valid photo ID. Shareholders with voting rights will receive a voting form at the entrance of the Extraordinary General Meeting.

#### **COVID-19 notice**

As stated above, due to the present Covid-19 pandemic and in consideration of the health and safety of all shareholders and the company's Management and other representatives as well as the Danish government's present ban on assemblies of more than 10 people, the Board of Directors urges all shareholders NOT to attend the Extraordinary General Meeting in person. Instead shareholders are urged to vote either by postal votes or by proxy.

Because of the risk of infection there will not be any refreshments served at the Extraordinary General Meeting.

It will be possible to follow (but not to vote at) the Extraordinary General Meeting electronically as a webcast via link on the company's Shareholder Portal available at <https://investor.bang-olufsen.com>.

#### **Processing of personal data**

In respect of the company's processing of personal data in connection with general meetings, reference is made to the company's policy on "Collection, processing and storing of personal data in connection with general meetings", which is available on the company's website <https://investor.bang-olufsen.com>.

**Participation by electronic means**

For shareholders who wish to follow the Extraordinary General Meeting electronically, registration takes place via the Shareholder Portal on the company's website, <https://investor.bang-olufsen.com>.

**Please note that shareholders following the Extraordinary General Meeting electronically will NOT be able to vote electronically. Only shareholders who are present at the Extraordinary General Meeting in person will be able to vote "live" at the Extraordinary General Meeting. The Board of Directors therefore urges all shareholders to vote in advance by proxy or postal vote.**

For further information on how to follow the extraordinary general meeting by electronic means, please refer to the Shareholder Portal at <https://investor.bang-olufsen.com>.

**Proxy and postal votes**

You will be able to exercise your shareholder rights by issuing proxy or by submitting a postal vote, but not both. The granting of proxy and postal voting can take place electronically via the Shareholder Portal available at <https://investor.bang-olufsen.com>. Login requires username and password or NemID. Proxy and postal voting can also take place using the forms available on the company's website, <https://investor.bang-olufsen.com>. The completed form must be sent by letter to Computershare A/S, Lottenborgvej 26 D, 1. sal, DK-2800 Kgs. Lyngby, by fax to +45 45460998, or by email to [gf@computershare.dk](mailto:gf@computershare.dk). Furthermore, the form can also be obtained by contacting Computershare A/S by phone +45 45460999.

Nomination of proxy must be received by the company or Computershare A/S in accordance with the above no later than on Friday, 29 May 2020, at 11.59 pm CEST, and the postal votes must be received by the company or Computershare A/S in accordance with the above no later than on Tuesday, 2 June 2020, at 4.00 pm CEST.

**Questions and answers**

At the Extraordinary General Meeting, the Board of Directors and the Executive Management Board will answer questions from the shareholders on matters relating to the items on the agenda for the Extraordinary General Meeting. In addition to the electronic Q&A function enabling shareholders who are following the Extraordinary General Meeting by electronic means to ask questions during the Extraordinary General Meeting, questions in writing can, until one day prior to the Extraordinary General Meeting, be sent to Bang & Olufsen a/s, Bang og Olufsens Allé 1, DK-7600 Struer, Denmark, att.: VP, Global General Counsel Line Køhler Ljungdahl, or via email to [llj@bang-olufsen.dk](mailto:llj@bang-olufsen.dk).

Yours sincerely  
Bang & Olufsen a/s  
Ole Andersen  
Chairman of the Board of Directors

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**Information to U.S. shareholders**

*This proposed rights issue is made for the securities of a foreign company. The proposed offer is subject to the disclosure requirements of a foreign country that are different from those of the United States. Financial statements included in the document, if any, have been prepared in accordance with foreign accounting standards that may not be comparable to the financial statements of United States companies. It may be difficult for you to enforce your rights and any claim you may have arising under the federal securities laws, since the issuer is located in a foreign country, and some or all of its officers and directors may be residents of a foreign country. You may not be able to sue the foreign company or its officers or directors in a foreign court for violations of the U.S. securities laws. It may be difficult to compel a foreign company and its affiliates to subject themselves to a U.S. court's judgment.*