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## **Bang & Olufsen publishes prospectus and initiates rights issue**

Further to company announcement 19.22 and the resolutions by the company's extraordinary general meeting on 3 June 2020 as described in company announcement 20.04, Bang & Olufsen today announces the initiation of a rights issue at a subscription ratio of 2:1 and a subscription price of DKK 5 per new share. The offering comprises 81,848,058 new shares, which are issued with pre-emptive subscription rights for the company's existing shareholders. A prospectus regarding the offering is available on the company's website <https://investor.bang-olufsen.com> (subject to certain restrictions).

The key terms of the offering are the following:

- The offering comprises of 81,848,058 new shares
- The subscription price is DKK 5 per new share
- The gross proceeds of the offering will be approximately DKK 409 million
- The offering is made at a subscription ratio of 2:1, meaning that each of the company's existing shareholders will be allocated two pre-emptive subscription rights per existing share held, where one pre-emptive subscription right is required to subscribe for one new share
- Existing shares traded on 9 June 2020 or later will be traded without pre-emptive rights, provided that the existing shares are traded with customary two-day settlement
- The pre-emptive subscription rights can be traded in the period commencing on 9 June 2020 and closing on 22 June 2020
- The subscription period for the new shares commences on 11 June 2020 and ends on 24 June 2020
- The offering is fully underwritten pursuant to advance subscription commitments and guarantee undertakings from a number of existing shareholders, institutional investors, qualified investors and certain members of the company's Board of Directors, Executive Management Board and Group Leadership Team
- Any pre-emptive subscription rights that are not exercised during the subscription period will lapse with no value, and the holder of such pre-emptive subscription rights will not be entitled to compensation

### **Reasons for the offering and use of proceeds**

The purpose of the offering is to strengthen the company's capital resources and to support the implementation of the company's key strategic priorities announced in company announcement 19.21 on 2 April 2020.

The proceeds are expected to be applied for general corporate purposes, including to finance the company's committed and planned investments for the financial year 2020/21 and the further activities to be taken towards the company's key strategic priorities. The proceeds are further intended to serve as additional

financial cushion following COVID-19 and will as such help finance the expected operating loss and negative cash flow for the financial year 2020/21 as reflected in the company's preliminary guidance announced in company announcement 19.22.

The offering will expectedly raise gross proceeds to the company of approximately DKK 409 million with net proceeds expected to be approximately DKK 356 million after deduction of costs and expenses payable by the company in relation to the offering.

As mentioned in company announcement 19.22, the company has entered into a commitment letter for a DKK 100 million committed credit facility with its main bank to further strengthen the capital structure. The commitment letter is subject to completion of the rights issue and execution of a Facility Agreement under certain commercially agreed terms and conditions.

### **Advance subscription commitments and guarantee undertakings**

The offering is fully underwritten pursuant to advance subscription commitments and guarantee undertakings from a number of existing shareholders, institutional investors, qualified investors and certain members of the company's Board of Directors, Executive Management Board and Group Leadership Team. The subscription commitments guarantee, undertakings and the agreements with the company's financial advisors are subject to terms and conditions, which may result in withdrawal of the right issue, e.g. in case of material adverse change or material changes in the management of the company.

### **Outlook for 2019/20 and Preliminary guidance for 2020/21**

As further described in the prospectus, the company maintains its present outlook for 2019/20 and its preliminary guidance for 2020/21 announced in company announcement 19.22.

### **Main terms of the offering**

Below is a summary of the main terms of the offering. Reference is made to the prospectus for a detailed description of the terms of the right issue.

- *The offering:* The offering comprises of 81,848,058 new shares of nominally DKK 5 each with pre-emptive subscription rights for the company's existing shareholders.
- *Subscription price:* The new shares are offered at a subscription price of DKK 5 per new share.
- *Subscription ratio:* The offering is completed at the ratio of 2:1, which means that any existing shareholder of the company registered as such with VP Securities A/S on 10 June 2020 at 5:59 p.m. CEST will be allocated two (2) pre-emptive subscription rights per one (1) share held and that one (1) pre-emptive subscription right will entitle the holder to subscribe for one (1) new share with a nominal value of DKK 5.
- *Trading in pre-emptive subscription rights:* The pre-emptive subscription rights can be traded on Nasdaq Copenhagen A/S under the temporary ISIN code DK0061284676 during the period from 9 June 2020 at 9:00 a.m. CEST to 22 June 2020 at 5:00 p.m. CEST.
- *Subscription period:* The subscription period for the new shares commences on 11 June 2020 and closes on 24 June 2020 at 5:00 p.m. CEST. Any of the pre-emptive subscription rights that are not exercised during this subscription period will lapse with no value, and the holder of such pre-emptive subscription rights will not be entitled to any compensation.

- *Payment and delivery:* Upon exercise of the pre-emptive subscription rights, the holder must pay DKK 5 per new share subscribed for. Payment of the new shares shall be made in Danish kroner (DKK) on the date of the subscription, however, no later than 24 June 2020 at 5:00 p.m. CEST.
- *Remaining shares:* New shares not subscribed for by exercise of a pre-emptive subscription right may, without compensation to the holders of unexercised pre-emptive subscription rights, be subscribed for by existing shareholders or qualified investors, who before the expiry of the subscription period have made binding undertakings to subscribe for the remaining shares according to a separate application form contained in the prospectus. In case of oversubscription of remaining shares, such remaining shares will be allocated according to apportionment keys determined by the Board of Directors.
- *Trading and official listing of new shares:* After payment of the subscription price, investors will be granted temporary share certificates to the investor's account in VP Securities A/S under the temporary ISIN code DK0061284593. The temporary share certificates will not be admitted to trading and official listing on Nasdaq Copenhagen A/S under the temporary ISIN code. The temporary ISIN code is registered in VP Securities A/S solely for the subscription of the new shares.

The new shares will be registered with the Danish Business Authority after the completion of the offering, expectedly on 1 July 2020. The new shares are expected to be admitted to trading and official listing on Nasdaq Copenhagen A/S under the permanent ISIN code for the company's existing shares DK0010218429 on 3 July 2020. The temporary ISIN code for the temporary share certificates will be merged with the permanent ISIN code of the existing shares no later than on 6 July 2020.

- *Withdrawal of the offering:* The offering may be withdrawn at any time prior to the registration of the capital increase relating to the offering with the Danish Business Authority. Any such withdrawal will be notified via Nasdaq Copenhagen A/S.

Any pre-emptive subscription rights that are not exercised during the subscription period will lapse with no value, and the holder of such pre-emptive subscription rights will not be entitled to compensation.

If the offering is withdrawn, any exercise of pre-emptive subscription rights that has already taken place will be cancelled automatically. The subscription amount paid for temporary share certificates will be refunded (less any transaction costs) to the last registered owner of the temporary share certificates as at the date of such withdrawal. All unexercised pre-emptive subscription rights will lapse, and no new shares will be issued.

Trades of pre-emptive subscription rights executed during the rights trading period will not be affected. Consequently, investors who have acquired pre-emptive subscription rights will incur a loss corresponding to the purchase price of the pre-emptive subscription rights and any transaction costs.

Investors who have acquired new shares in the form of temporary share certificates will receive a refund of the subscription amount for the new shares (less any transaction costs). Consequently, investors who have acquired temporary share certificates may incur a loss corresponding to the difference between the purchase price and the subscription price of temporary share certificates and any related transaction costs.

## **Timetable**

The timetable for main events relating to the rights issue is as follows:

Last day of trading in existing shares including pre-emptive subscription rights:	8 June 2020
First day of trading in existing shares excluding 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
Expected registration of the new shares with the Danish Business Authority:	1 July 2020
Expected date of admission of the new Shares to trading and official listing under the ISIN code of the existing shares on Nasdaq Copenhagen A/S:	3 July 2020
Expected date of completion of the offering:	No later than on 3 July 2020
Expected merger of ISIN codes:	No later than on 6 July 2020

#### **Joint global coordinators and legal advisors**

Carnegie Investment Bank and Nordea are acting as Joint Global Coordinators of the offering. Gorrissen Federspiel act as legal advisor to the company. Plesner act as legal advisor to the Joint Global Coordinators.

#### **Prospectus**

Following publication, the prospectus containing detailed information on Bang & Olufsen and the offering will, subject to certain restrictions, be available at the company's website <https://investor.bang-olufsen.com>. Apart from information that is incorporated into the prospectus by reference, the contents of the website of Bang & Olufsen do not form part of the prospectus.

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***Forward-looking- statement disclaimer:***

*Certain statements in this announcement are forward-looking statements which are based on the company's expectations, intentions and projections regarding its future performance, anticipated events or trends and other matters that are not historical facts, including with respect to the timing, terms and consummation of the rights issue described herein. These forward-looking statements, which may use words such as "aim", "anticipate", "believe", "intend", "estimate", "expect" and words of similar meaning, include all matters that are not historical facts. These forward-looking statements involve risks, and uncertainties that could cause the actual results of operations, financial condition, liquidity, dividend policy and the development of the industry in which the company's business operates to differ materially from the impression created by the forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date of such statements and, except as required by applicable law, Bang & Olufsen undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.*