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Bang & Olufsen launches private placement of new shares targeting proceeds of around DKK 228 million

Today, the Board of Directors of Bang & Olufsen (“B&O” or the “Company”) has resolved to launch an offering of new shares at market price (the “Offering”). The Offering will be completed as a private placement of up to 24,554,416 new shares (the “New Shares”) with a nominal value of DKK 5 each targeting gross proceeds of approximately DKK 228 million, corresponding to approximately 20% of B&O’s currently registered share capital.

Background for the Offering and use of proceeds

On 3 July 2024, the Company announced its plan to raise additional capital to support the acceleration of its strategic execution, aiming to drive long-term growth and further improve profitability. As part of this plan, the Company set an ambition of achieving organic revenue growth of 8% (CAGR) in the three-year period covering the financial years 2025/26 to 2027/28 and an EBIT margin before special items of 8% as well as a free cash flow of DKK 250m, both to be achieved in 2027/28. The Offering is the first step in executing this plan, with net proceeds intended to fund investments in further strengthening of B&O’s position in the luxury audio market by increasing global brand awareness, optimising the retail network and continuing to invest in the product portfolio.

Key Terms of the Offering

The Offering will be made as a directed issue and private placement to eligible institutional and professional investors in Denmark and certain other jurisdictions, pursuant to applicable exemptions from the obligation to publish a prospectus in accordance with the Prospectus Regulation (EU) 2017/1129. The Offering will be made without pre-emption rights for B&O’s existing shareholders and is not underwritten.

The subscription period will commence immediately and close at short notice, with the results of the Offering expected to be announced as soon as practicably possible thereafter.

The subscription price is DKK 9.27, corresponding to the volume-weighted average of the Company’s share price over the three trading days (including today) preceding the decision of the Board of Directors. At full subscription, the Offering is expected to generate total gross proceeds of DKK 228 million.

The Company has received advance commitments from certain existing shareholders and new professional investors to subscribe for all of the New Shares. The advance commitments are subject to customary terms and conditions.

Resolution of share capital increase

The decision to launch the Offering is made pursuant to Article 4(5) in B&O’s Articles of Association according to which the Board of Directors of the Company is authorized to make share capital increases without pre-emption rights for the existing shareholders.

The actual number of new shares issued will be announced in connection with the announcement of the results of the Offering.

Admission to trading and official listing

The New Shares will be issued under the temporary ISIN code DK0063518592. No application for admission to trading and official listing has been, or will be, filed for the New Shares issued under the temporary ISIN code, and the temporary ISIN code will only be registered with Euronext Securities Copenhagen (VP Securities A/S) for subscription of the New Shares. The temporary ISIN code in Euronext Securities Copenhagen (VP Securities A/S) will be merged with the permanent ISIN code for the existing shares, DK0010218429, as soon as possible following registration of the share capital increase with the Danish Business Authority. The New Shares are expected to be admitted to trading and official listing on Nasdaq Copenhagen A/S on or around 4 December 2024.

Expected timetable for the Offering

The result of the Offering is expected to be announced later today with settlement and payment on 2 December 2024. The share capital increase will be registered with the Danish Business Authority after the subscription amount is fully paid, currently expected to be on Monday, 2 December 2024.

The admission to trading and official listing is subject to the Offering not being withdrawn prior to the settlement of the Offering and the Company making an announcement to that effect.

Date	Event
27 November 2024	Announcement of result of the Offering
2 December 2024	Settlement and payment against delivery of the New Shares
2 December 2024	Expected registration of the capital increase with the Danish Business Authority
4 December 2024	Admission to trading and official listing of the New Shares on Nasdaq Copenhagen A/S

Any material amendments to the timetable will be separately announced.

The New Shares

The New Shares will rank pari passu in all respects with existing shares in B&O. The New Shares will be negotiable instruments, and no restrictions will apply to their transferability. No shares, including the New Shares, carry or will carry any special rights. Rights conferred by the New Shares, including voting rights and dividend rights, will apply from the time when the capital increase is registered with the Danish Business Authority. The New Shares must be registered in the name of the holder in the Company's register of shareholders. If the Offering is oversubscribed, the New Shares will be allocated by the Board of Directors.

Global Coordinator and Bookrunner

Carnegie Investment Bank, Filial af Carnegie Investment Bank AB (publ), Sverige (the "**Global Coordinator and Bookrunner**") acts as Global Coordinator and Bookrunner in connection with the Offering.

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In addition, in the United Kingdom, this announcement is only being communicated to and is directed only at (a) qualified investors (within the meaning of the UK version of the Prospectus Regulation as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018) (i) who are “investment professionals” falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the Order), (ii) high net worth entities falling within Article 49(2)(a)-(d) of the Order or (b) persons to whom it may otherwise lawfully be communicated, all such persons (a) and (b) together being referred to as “Relevant Persons”.

Forward-looking statements

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and that can be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “estimate”, “will”, “may”, “continue”, “should”, and similar expressions, as well as other statements regarding future events or prospects. Specifically, this announcement includes information with respect to projections, estimates, and targets that also constitute forward-looking statements. The forward-looking statements in this report 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, and other important factors include, among others: limited market feedback in commercialization of the Company’s products, failure to successfully implement strategies, dependencies on third parties for manufacturing certain product components and the supply of certain raw materials, global and/or regional pandemics, manufacturing disruptions, strategic collaboration, protection of the Company’s intellectual property rights and other risks disclosed in B&O’s annual reports and other company announcements. Such risks, uncertainties, contingencies, and other important factors could cause actual events to differ materially from the expectations, projections, estimates, and targets expressed or implied in this announcement by such forward-looking statements. These forward-looking statements are not guarantees of future performance and involve certain risks and uncertainties, in particular this announcement should not be construed as a confirmation neither that the Offering will complete, nor of the deal size or the offer price. The information, opinions, and forward-looking statements contained in this announcement speak only as at its date and are subject to change without notice. B&O expressly disclaims any obligation to update or revise any forward-looking statements, except as required by law.