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Svedbergs Group resolves on rights issue and announces terms

The Board of Directors of Svedbergs Group AB (publ) ("Svedbergs Group"), has, based on the authorisation from the Extraordinary General Meeting on 7 December 2023, resolved to launch a new share issue with preferential right for existing shareholders of approximately SEK 406 million, in order to partially amortise Svedbergs Group's credit facilities and to strengthen its capital structure after the acquisition of Thebalux Holding B.V. ("Thebalux"), which was announced by Svedbergs Group on 27 October 2023 (the "Rights Issue"). Today, Svedbergs Group announces the terms and conditions of the Rights Issue. As a result of the Rights Issue, it has been resolved to postpone the publication of the company's interim report for the fourth quarter from 9 February 2024 to 29 February 2024.

The Rights Issue in brief^[1]

- The Rights Issue comprises no more than 17,654,698 new B shares.
- Shareholders in Svedbergs Group have preferential right to subscribe for one (1) new share per two (2) existing shares, i.e. an issue ratio of 1:2.
- The subscription price has been set to SEK 23 per new share, which results in total issue proceeds of approximately SEK 406 million before issue costs, assuming that the Rights Issue is fully subscribed.
- The purpose of the Rights Issue is to partially amortise credit facilities and at the same time strengthen the capital structure after the acquisition of Thebalux.
- The shareholder Stena Adactum AB, who is Svedbergs Group's largest shareholder and represent approximately 40.6 percent of the shares and votes in Svedbergs Group, supports the decision on the Rights Issue and has committed to, subject to customary conditions, subscribe for its pro rata share of the Rights Issue.
- Furthermore, If Skadeförsäkring AB and Nordea Fonder, who together represent approximately 26.6 percent of the shares and votes in Svedbergs Group, have expressed their support for the transaction and their intention to subscribe for their pro rata share of the Rights Issue.

Background and rationale for the Rights Issue

On 27 October 2023, it was announced that Svedbergs Group had entered into an agreement to acquire Thebalux, a profitable company with a strong market position and over 25 years of experience in the Dutch bathroom market. On 23 November 2023, the acquisition was completed after approval from relevant competition authorities. The fixed purchase price has amounted to approximately EUR 50.6 million (corresponding to approximately SEK 578 million^[2]), which is based on an agreed enterprise value on a cash and debt free basis of approximately EUR 45 million (corresponding to approximately SEK 514 million) and a net cash position in the acquired company of

approximately of EUR 5.6 million (corresponding to approximately SEK 64 million). In addition, an earn-out of a maximum of EUR 2.7 million (corresponding to approximately SEK 31 million) has been agreed upon. The size of the earn-out is based on Thebalux's financial performance in 2023, 2024 and 2025 and will be paid in 2026. The acquisition of Thebalux is in line with Svedbergs Group's strategy and constitutes an important step in Svedbergs Group's goal of becoming the leading bathroom group in northern Europe.

In order to meet the liquidity needs of the combined operations of Svedbergs Group and Thebalux, as well as to finance the acquisition of Thebalux, Svedbergs Group has expanded its credit facilities, by raising a new bridge loan amounting to SEK 550 million from Nordea Bank Abp, filial i Sverige. In order to partially amortise the bridge loan and to simultaneously strengthen its capital structure after the acquisition of Thebalux, the Board of Directors of Svedbergs Group has resolved to launch a new share issue with preferential right for existing shareholders of approximately SEK 406 million.

Terms and conditions of the Rights Issue

Those who, on the record date 2 January 2024, are registered by Euroclear Sweden AB as shareholders in Svedbergs Group will receive one (1) subscription right for each share held in Svedbergs Group. The subscription rights entitle the holder to subscribe with preferential right for new shares, in which case two (2) subscription rights entitle to subscribe for one (1) new B share. In addition, the company offers the possibility to subscribe for shares without subscription rights.

Assuming that the Rights Issue is fully subscribed, the share capital will increase by no more than SEK 22,068,372.50 through the issue of no more than 17,654,698 new B shares.[3]3 The subscription price has been set to SEK 23 per new share, corresponding to total issue proceeds of approximately SEK 406 million before issue costs, provided that the Rights Issue is fully subscribed. The net issue proceeds of approximately SEK 392 million will be used in its entirety to partially amortise Svedbergs Group's bridge loan facility of SEK 550 million and consequently at the same time strengthen Svedbergs Group's capital structure after the acquisition of Thebalux.

The existing shares are traded including the right to receive subscription rights up to and including 28 December 2023 and the first day of trading in shares excluding the right to receive subscription rights is 29 December 2023. The subscription period runs from and including 4 January 2024 up to and including 19 January 2024 at 15:00 CET. Svedbergs Group's Board of Directors has the right to extend the subscription period which, when applicable, will be announced through a press release at the latest on 19 January 2024 at 15:00 CET.

Existing shareholders who choose not to participate in the Rights Issue will have their ownership diluted by approximately 33.3 percent, but are able to financially compensate for this dilution by selling their subscription rights. Unexercised subscription rights must be sold in order not to lapse without value.

If not all shares are subscribed for by exercise of subscription rights, the Board of Directors shall, up to the maximum amount of the Rights Issue, resolve on allotment of shares subscribed for without subscription rights as follows. Firstly, allotment shall be made to those who have applied for subscription and subscribed for shares by exercise of subscription rights, regardless of whether the subscriber was a shareholder on the record date or not, and in the event that allotment cannot be made in full to them, allotment shall be made in proportion to the number of new shares each one has subscribed for by exercise of subscription rights. Secondly, allotment shall be made to others who

have applied for subscription without subscriptions rights, and in the event that allotment cannot be made in full to them, allotment shall be made in proportion to the number of shares stated in each subscription application. To the extent allotment in accordance with the above cannot be made pro rata, allotment shall be made by drawing of lots.

Complete terms and conditions for the Rights Issue and information about Svedbergs Group will be included in the prospectus that is intended to be published around 22 December 2023.

Subscription undertaking and expressions of intent

Stena Adactum AB, which is Svedbergs Group's largest shareholder and represents approximately 40.6 per cent of the shares and votes in Svedbergs Group, has, on customary terms, undertaken to subscribe for its pro rata share of the Rights Issue. The subscription undertaking is not secured by, for example, bank guarantees. Furthermore, If Skadeförsäkring AB and Nordea Fonder, which together represent approximately 26.6 per cent of the shares and votes in Svedbergs Group, have expressed their intention to subscribe for their pro rata share of the Rights Issue. Thus, in total, shareholders representing 67.3 per cent of the shares and votes in Svedbergs Group have committed or expressed their intention to subscribe for their pro rata share of the Rights Issue.

Indicative timetable

22 December 2023	Estimated day for publication of the prospectus for the Rights Issue
28 December 2023	Last day of trading in the Svedbergs Group's share including the right to receive subscription rights
29 December 2023	First day of trading in the Svedbergs Group's share excluding the right to receive subscription rights
2 January 2024	Record date for the Rights Issue, i.e. shareholders who are registered in the share register on this date will receive subscription rights that entitle to participate in the Rights Issue
4 January–16 January 2024	Trading in subscription rights on Nasdaq Stockholm
4 January–19 January 2024 at 15:00 CET	Subscription period
4 January–29 January 2024	Trading in paid subscribed shares (BTA) on Nasdaq Stockholm
22 January 2024	Estimated day for announcement of the preliminary outcome of the Rights Issue
25 January 2024	Estimated day for announcement of the final outcome of the Rights Issue

Postponement of date for publication of the year-end report

Due to the Rights Issue, it has been resolved to postpone the publication of the company's interim report for the fourth quarter from 9 February 2024 to 29 February 2024. Svedbergs Group has on 14 December 2023 published a so-called trading update regarding the sales and earnings development during the period 1 October 2023 – 30 November 2023.

Advisors

Nordea is financial advisor to Svedbergs Group in connection with the Rights Issue. Mannheimer Swartling Advokatbyrå AB is legal advisor to Svedbergs Group.

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This information is information that Svedbergs Group (publ) is obliged to make public pursuant to the EU's market abuse regulation. The information was submitted for publication, through the agency of the contact persons set out above, 20 December 2023 at 22:00 CET.

About Svedbergs Group

Svedbergs Group invests long-term in Europe's strongest independent company that designs, manufactures and markets sustainable products and services for bathrooms. We grow through organic growth and acquisitions that complement and strengthen our group through new products in bathroom furniture and shower solutions, geographical spread and new knowledge in marketing, innovation and sustainability. We create value by maintaining the companies' entrepreneurial drive and commitment, as well as by selectively finding synergies within, for example, purchasing. We call this cooperation without confusion.

Important information

The information in this press release does not constitute an offer to acquire, subscribe or otherwise trade in shares, subscription rights or other securities in the Company in any jurisdiction. Any invitation to the persons concerned to subscribe for shares in Svedbergs Group will only be made through the prospectus that Svedbergs Group estimates to publish around 22 December 2023 at <https://offer.svedbergsgroup.com/>.

This press release is not intended for, and may not be released, published or distributed, in whole or in part, directly or indirectly, in or into Australia, Canada, Hong Kong, Japan, New Zealand, the United States of America, including its territories and possessions, any state of the United States or the District of Columbia (the "**United States**") or any other jurisdiction where such action is wholly or partially subject to legal restrictions or where such action would require additional prospectus, registration or other actions in addition to what follows from Swedish law. Nor may the information in this press release be forwarded, reproduced or disclosed in a manner that contravenes such restrictions or would entail such requirements. Failure to comply with this instruction may result in a violation of applicable securities legislation.

The securities referred to in this press release have not been and will not be registered under the United States Securities Act of 1933, as amended ("**Securities Act**"), or under the securities laws of any state or other jurisdiction in the United States and may not be offered, subscribed, used, pledged, sold, resold, allotted, delivered or transferred, directly or indirectly, in or into the United States absent exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with securities laws of the relevant state or other jurisdiction in the United States.

All offers and sales of securities in connection with any rights offer by the Company will be made, subject to certain limited exceptions, outside of the United States and in reliance on, and in compliance with, Regulation S under the Securities Act. There will be no public offering in the United States.

Within the European Economic Area (the "EEA"), no public offering of securities is made in other countries than Sweden. In other member states of the EEA, such an offering of securities may only be made in accordance with an applicable exemption in the Prospectus Regulation (EU) 2017/1129. What is said about other member states in the EU than Sweden shall also apply to the United Kingdom, where the Prospectus Regulation (EU) 2017/1129 forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

In the United Kingdom, this press release is only directed at "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation (EU) 2017/1129, as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, and who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order; or (iii) other persons to whom this press release may otherwise lawfully be communicated (all such persons together being referred to as "**Relevant Persons**"). Persons who are not Relevant Persons should not take any action on the basis of this press release and should not act or rely on it.

This press release contains certain forward-looking information that reflects the Company's present view of future events as well as financial and operational development. Words such as "intend", "assess", "expect", "may", "plan", "believe", "estimate" and other expressions entailing indications or predictions of future development or trends, not based on historical facts, constitute forward-looking information. Forward-looking information is inherently associated with both known and unknown risks and uncertainties as it depends on future events and circumstances. Forward-looking information is not a guarantee of future results or development and actual outcomes may differ materially from the statements set forth in the forward-looking information.

[1] The stated holdings are calculated as of 30 November 2023, with known changes thereafter, with consideration for Svedbergs Group's holdings of 14,361 treasury shares, which do not entitle to participate in the Rights Issue.

[2] 2 All amounts in euros converted applying the exchange rate as of 22 November 2023: EUR/SEK 11.4303.

[3] 3 Svedbergs Group's holdings of 14 361 treasury shares, as of 30 November 2023, with known changes thereafter, do not entitle to participate in the Rights Issue.

This information is information that Svedbergs Group is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2023-12-20 22:00 CET.