

Press release

[4]-[12]-2020

ITAB announces its intention to conduct a recapitalisation through a rights issue of MSEK 768 and the entry of a new long-term, active owner

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ITAB Shop Concept AB (publ) ("ITAB" or the "Company") today announces its intention to propose a recapitalisation of the Company comprised of a rights issue of approximately MSEK 768 (the "Rights Issue"), whereby WQZ Investments Group Ltd (the "Investor"), will invest approximately MSEK 410 in ITAB. The current major shareholders have proposed to the nomination committee that Mr. Vegard Søråunet be appointed as a new member of ITAB's Board of Directors on behalf of the Investor. The transaction will be achieved by the Investor acquiring and subscribing for the majority of the subscription rights issued to the current largest shareholders, Pomona-gruppen AB, Anna Benjamin with closely related persons and Petter Fägersten with closely related persons, in connection with the Rights Issue, and thereby becoming the largest shareholder in the Company. In total, subscription and guarantee commitments provided by the Investor, Andréas Elgaard, ITAB's President & CEO, and existing shareholders amount to a total of approximately MSEK 722, representing approximately 94% of the Rights Issue. Further, as a result of the recapitalisation, it is also proposed that all outstanding class A shares will be reclassified into class B shares, entailing that only one share class will be outstanding in the Company following the recapitalisation. ITAB intends to use the net proceeds of the Rights Issue to primarily reduce its indebtedness and secure long-term financing with a partial down-payment of an existing short-term loan, refinance of the remainder of the short-term loan to a long-term loan and a partial down-payment of the short-term shareholder loans entered into in July 2020. The remaining part of the shareholder loans will be set-off against new class B shares in the Company subject to shareholder approval.

The recapitalisation puts ITAB on a sound financial footing to execute its One ITAB transformation plan and to provide a capital buffer as the retail end-market recovers from the effects of Covid-19. In addition, ITAB reconfirms its guidance for an expected EBITDA for the financial year 2020 in the range of MSEK 380 to MSEK 420 (before non-recurring costs) and currently anticipates a result towards the mid-to-upper end of this range.

The recapitalisation in brief

- The Rights Issue is expected to comprise a maximum of 102,383,430 class B shares. Current shareholders in ITAB will have preferential rights to subscribe for one (1) new class B share per one (1) existing share irrespective of share class, indicating a subscription ratio of 1:1 (following the reclassification of class A shares, the Company will only have one class of shares outstanding, class B shares; see below for further information).
- The subscription price for the Rights Issue has been set to SEK 7.50 per share (the "Subscription Price"), which will provide total proceeds of approximately MSEK 768 before transaction costs. This Subscription Price represents a discount of 24% to the theoretical ex-rights price (TERP) of SEK 9.91 per existing class B share by reference to the closing price on 3 December 2020 (the last business day before the publication of this announcement, excluding the effect from the shareholder loan conversion).
- The net proceeds from the Rights Issue will primarily be applied towards debt reduction and to secure long-term financing. Approximately MSEK 463 will be used for a partial down-payment of existing short-term loan and to refinance a short-term loan to a long-term loan. Additionally, MSEK 40 will be used to repay a portion of the shareholder loans of a total amount of MSEK 140 entered into with Pomona-gruppen AB (controlled by board member Fredrik Rapp), VIEM Invest AB (controlled by board member Anna Benjamin) and Övre Kullen AB (controlled by board member Petter Fägersten) in July 2020. The remainder of the shareholder loans amounting to MSEK 100 is proposed to be set-off against new class B shares in the Company at a conversion price corresponding to the Subscription Price. Following these repayments, the shareholder loans are repaid in full.
- The Investor has committed to invest approximately MSEK 410 in the Rights Issue, corresponding to approximately 53% of the Rights Issue, by way of acquiring and subscribing for the majority of the

subscription rights issued to existing shareholders, Pomona-gruppen AB, Anna Benjamin with closely related persons and Petter Fägersten with closely related persons in connection with the Rights Issue. This structure of the recapitalisation avoids the dilution of the minority shareholders in ITAB which would have occurred if structured as a direct placement and provides all shareholders the opportunity to participate in investing alongside the Investor.

- The current shareholders Svolder AB, Stig-Olof Simonsson with closely related persons and the Company's chairman Anders Moberg through companies, who currently in aggregate hold approximately 12% of ITAB's shares, have committed to subscribe for new shares corresponding to their respective pro rata share, and Petter Fägersten with closely related persons have committed to participate in the Rights Issue to the extent of 4,000,000 subscription rights, corresponding to approximately 4% of the Rights Issue.
- In addition to the commitment to subscribe for their respective pro rata share, Svolder AB and Stig-Olof Simonsson have entered into guarantee commitments to subscribe for additional shares corresponding to in total approximately 12% of the Rights Issue and Andréas Elgaard, ITAB's President & CEO, Anna Benjamin through company and Fredrik Rapp have entered into guarantee commitments to subscribe for shares corresponding to in total approximately 13% of the Rights Issue. Together, the subscription and guarantee commitments provided by the Investor, Andréas Elgaard and current shareholders amount to approximately 94% of the Rights Issue.
- The current class A shareholders (namely Pomona-gruppen AB and Petter Fägersten with closely related persons) have agreed to reclassify all outstanding class A shares to new class B shares on a one-for-one basis, in connection with the Rights Issue. Following the reclassification of class A shares (but before the Rights Issue), the total number of shares and votes in the Company will be 102,383,430.
- The current major shareholders have proposed to the nomination committee that Mr. Vegard Søråunet be appointed as a new member of ITAB's Board of Directors on behalf of the Investor.
- ITAB will convene an extraordinary general meeting (the "EGM") to be held on 15 January 2021 at the latest four weeks before the EGM for the purpose of, inter alia, resolving on the Rights Issue, the shareholder loan conversion and the proposal on the appointment of Mr. Vegard Søråunet to the Board of Directors.
- ITAB will provide further details of the timetable for the Rights Issue after the EGM, but the Company currently expects an approximately two week subscription period to commence around mid-February 2021, entailing that the Rights Issue will be completed during March 2021.
- At the AGM 2021, ITAB will propose a long-term incentive program to the management to align management's incentives with the interests of the shareholders and reward long-term growth of the Company.

Andréas Elgaard, President & CEO of ITAB commented:

ITAB is delighted to welcome the new active, long-term investor in ITAB and we see this as a testament to the attractive potential in the One ITAB strategy and transformation plan. In addition, the rights issue will strengthen ITAB's balance sheet and provide additional financing flexibility and stability. This will fuel our efforts to transform ITAB into the leading retail solution provider positioned to deliver measurable results for our customers in terms of the desired 'consumer brand experience', increased conversions and sales, improved operational efficiencies and service, reduced operational costs and more efficient store project implementation. It will also fuel our efforts to strengthen ITAB as a group and accelerate the restructuring of our value chain and implement consolidation and simplification within ITAB to leverage synergies from operational activities. Our costs will decrease as a result of changed working methods, increased efficiency and lead to a simplified and less capital-intensive structure. Our One ITAB strategy is designed to position ITAB as the leading solution provider in the dynamic grocery and retail sector with the most holistic and connected offer in the market.

Current trading update

As communicated to the market on 10 July 2020, ITAB expected an EBITDA for the financial year 2020 in the range of MSEK 380 to MSEK 420 (before non-recurring costs which amounts to approximately MSEK 100, primarily relating to operational restructuring costs in connection with the execution of the One ITAB transformation plan). ITAB is pleased to reconfirm this guidance for the financial year 2020 and currently anticipates a result towards the mid-to-upper end of this range.

Background and rationale

The Board of Directors has concluded that it is in the shareholders' as well as in ITAB's other stakeholders' best interests to strengthen ITAB's capital structure through the Rights Issue to reduce the financial leverage of the group, to invest in the One ITAB transformation plan and to provide sufficient headroom to the business given the Covid-19 situation.

ITAB intends to use the net proceeds of the Rights Issue primarily to reduce its indebtedness and secure long-term financing. In connection with the Company announcing the Rights Issue, ITAB has agreed to repay MSEK 463 (MEUR 45) of its MSEK 771 (MEUR 75) short-term facility with Nordea, with the balance being refinanced, resulting in a strengthened balance sheet and providing additional financial flexibility and stability.

The Company also intends to use MSEK 40 of the net proceeds of the Rights Issue to re-pay part of the shareholder loans of a total amount of MSEK 140 entered into with Pomona-gruppen AB (controlled by board member Fredrik Rapp), VIEM Invest AB (controlled by board member Anna Benjamin) and Övre Kullen AB (controlled by board member Petter Fägersten) in July 2020. The remainder of the shareholder loans amounting to MSEK 100 is proposed to be set-off against new class B shares in the Company at a conversion price corresponding to the Subscription Price, subject to shareholder approval. Thereafter, the shareholder loans are repaid in full.

Commitments in connection with the recapitalisation

The Company has obtained subscription commitments from the Investor and current shareholders of a total amount of approximately MSEK 531, corresponding to approximately 69% of the Rights Issue. The Investor, who currently does not hold any shares in the Company, has committed to invest approximately MSEK 410 in the Rights Issue, corresponding to approximately 53% of the Rights Issue, by way of acquiring the majority of the subscription rights issued to existing shareholders Pomona-gruppen AB, Anna Benjamin with closely related persons and Petter Fägersten with closely related persons, in connection with the Rights Issue. Petter Fägersten with closely related persons has also committed to subscribe for MSEK 30 in the Rights Issue, corresponding to approximately 4% of the Rights Issue.

The current shareholders Svolder AB, who currently holds 5,836,601 shares, corresponding to approximately 6% of the shares in the Company, Stig-Olof Simonsson with closely related persons, who currently holds 5,196,205 shares, corresponding to approximately 5% of the shares in the Company, and Anders Moberg through companies, who currently holds 1,100,000 shares, corresponding to approximately 1% of the shares in the Company, have committed to subscribe for new shares corresponding to their respective pro rata share, corresponding to approximately 6%, 5% and 1% of the Rights Issue, respectively. In addition to the commitment to subscribe for their respective pro rata share, Svolder AB (for a total amount of approximately MSEK 31) and Stig-Olof Simonsson (for a total amount of approximately MSEK 61) have entered into guarantee commitments to subscribe for additional shares corresponding to in total approximately 12% of the Rights Issue and Andréas Elgaard (for a total amount of MSEK 7.5), Anna Benjamin through company (for a total amount of approximately MSEK 31) and Fredrik Rapp (for a total amount of MSEK 61) have entered into guarantee commitments to subscribe for shares corresponding to in total approximately 13% of the Rights Issue. Svolder AB and Stig-Olof Simonsson are entitled to receive a guarantee fee of 4.5% of their respective guaranteed amount. Together, the subscription and guarantee commitments provided by the Investor, Andréas Elgaard and current shareholders amount to approximately 94% of the Rights Issue. The remainder of the Rights Issue is not guaranteed. The above mentioned shareholders have committed to vote in favour of, inter alia, the Rights Issue, the shareholder loan conversion and the proposal of the appointment of Mr. Vegard Søråunet to the Board of Directors to be resolved upon at the EGM.

Please see below for additional information about the Investor's and the current shareholdings of the aforementioned shareholders, their exercise of subscription rights (i.e. excluding guarantee commitments) and expected shareholding following the recapitalisation, assuming that the Rights Issue is subscribed in full.

Name	Current shareholding in ITAB (sum of number of class A and B shares)	Number of subscription rights received in connection with the Rights Issue	Number of subscription rights exercised in the Rights Issue pursuant to subscription commitment	Shareholding following the Rights Issue and the shareholder loan conversion (number of shares and percent of total number of shares)
WQZ Investments Group, i.e. the Investor	0	0	54,604,496	54,604,496 (25%)
Petter Fägersten with closely related persons	17,652,774	17,652,774	4,000,000	24,319,441 (11%)
Pomona-gruppen AB	30,482,464	30,482,464	0	37,815,797 (17%)
Anna Benjamin with closely related persons	10,870,620	10,870,620	0	14,203,953 (7%)
Svolder AB	5,836,601	5,836,601	5,836,601	11,673,202 (5%)
Stig-Olof Simonsson with closely related persons	5,196,205	5,196,205	5,196,205	10,392,410 (5%)
Anders Moberg through companies	1,100,000	1,100,000	1,100,000	2,200,000 (1%)

Proposed recapitalisation

The Board of Directors intends to raise approximately MSEK 768 through a Rights Issue to existing shareholders. The shares to be issued in the Rights Issue will be issued at a subscription price of SEK 7.50 per share which is a 24% discount to the theoretical ex-rights price of SEK 9.91 per existing class B share (assuming all subscription rights are exercised, excluding the effect from the shareholder loan conversion).

In order to attract new investors into ITAB and increase the free float of the ITAB-share, the Board of Directors has determined to following the recapitalisation only have one share class outstanding in the form of class B shares. Consequently, all current class A shareholders have committed to reclassify all current class A shares into class B shares on a one-for-one basis.

If all subscription rights are exercised in full, the maximum number of new class B shares to be issued in the Rights Issue will be 102,383,430 and the total number of class B shares following the Rights Issue will be 204,766,860. In connection with the shareholder loan conversion 13,333,333 new class B shares will be issued, entailing that the Company will have 218,100,193 class B shares outstanding, corresponding to 218,100,193 votes, following the recapitalisation. The new class B shares will confer the same rights as the existing class B shares, including the right to future dividends and other distributions decided upon or paid out subsequent to the allocation and registration of the new class B shares.

In connection with the recapitalisation, ITAB will publish a prospectus following approval of the Swedish Financial Supervisory Authority. The prospectus is expected to be published as soon as practicable following the publication of the Company's interim report for Q4 2020 and an approximately two week subscription period for the Rights Issue is expected to commence around mid-February 2021, entailing that the Rights Issue will be completed during March 2021. Additional details regarding the timetable for, and terms of the Rights Issue will be made available after the EGM.

Extraordinary general meeting

The EGM to be held on 15 January 2020 will be convened by way of publication of a notice at the latest four weeks before the EGM for the purposes of, inter alia, resolving on the Rights Issue, the shareholder loan conversion and the proposal of the appointment of Mr. Vegard Søråunet to the Board of Directors. Copies of the notice, including the complete proposals for the EGM, together with associated documents will, inter alia, be available at the address of the Company and on the Company webpage www.itabgroup.com.

Financial and legal advisors

Macquarie Capital (Europe) Limited ("Macquarie Capital") is acting as the lead financial adviser to ITAB and Nordea is acting as co-adviser. Macquarie Capital and Nordea are acting as Joint Global Coordinators and Joint Bookrunners in the Rights Issue. Macquarie Capital is authorised and regulated in the United Kingdom by the Financial Conduct Authority. Macquarie Capital and Nordea are acting for ITAB only in connection with the Rights Issue and no one else, and will not be responsible to anyone other than ITAB for providing the protections offered to clients nor for providing advice in relation to the Rights Issue, the contents of this announcement or any transaction, arrangement or other matter referred to in this announcement. Vinge is acting as legal adviser to ITAB.

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This information is such information that ITAB Shop Concept AB (publ) is obliged to make public under the EU's Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08.15 CET on [4 December] 2020.

About ITAB

AT ITAB we help customers turn consumer brand experience into physical reality with our know-how, solutions and ecosystem of partners. We co-create with our customers, efficient retail solutions that deliver convenient and inspiring consumer experiences. The offer includes consultative design services, custom-made interiors, checkout systems, consumer guidance solutions, professional lighting systems and interactive digital solutions for the physical store. ITAB has approximately 3,200 employees and net sales in 2019 amounted to MSEK 6,064. The company's B share is listed on Nasdaq Stockholm.

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Any offering of the securities referred to in this press release will be made by means of a prospectus. This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (together with any related implementing and delegated regulations, the "Prospectus Regulation"). Investors should not invest in any securities referred to in this announcement except on the basis of information contained in the aforementioned prospectus.

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The information, opinions and forward-looking statements contained in this press release speak only as at its date, and are subject to change without notice.