



Press release, 6 April 2020

Notice of Annual General Meeting of Bygghemma

The shareholders of Bygghemma Group First AB (publ) are summoned to the annual general meeting, to be held on Tuesday 5 May 2020, at 4:00 pm at Studio, conference room Satellit, Nordenskiöldsgatan 24, Malmö, Sweden.

Participation, etc.

Shareholders who wish to participate in the meeting must be recorded in the share register maintained by Euroclear Sweden AB on Tuesday 28 April 2020, and notify their intention to participate in the meeting no later than on Tuesday 28 April 2020 by mail to Bygghemma Group First AB, Hans Michelsensgatan 9, SE-211 20 Malmö, Sweden (Attn: Annual General Meeting), by telephone +46 (0)72-402 02 17 or by e-mail to investment@bygghemmagroup.se.

The notification shall set forth the name, personal/corporate identity number, address and telephone number, the number of shares held, and, where applicable, number of assistants (not more than two) that the shareholder intends to bring to the meeting. Shareholders represented by proxy shall issue a power of attorney for the proxy. If the power of attorney is issued on behalf of a legal entity, a certified copy of a registration certificate or corresponding document, evidencing the authority to issue the proxy, shall be appended. The original power of attorney and, where applicable, the certificate or corresponding document, should be submitted to the company at the address indicated above well in advance of the meeting. A proxy form is available at www.bygghemmagroup.com and may also be ordered from the company at the address indicated above.

Shareholders whose shares are registered in the name of a nominee through a bank or other custodian must re-register their shares in their own names to be entitled to participate in the meeting. Such registration, which may be temporary, must be duly effected on Tuesday 28 April 2020. Shareholders must therefore inform their nominee of their request well in advance of this date.

There are a total of 107,368,421 shares in the company, corresponding to an equal amount of outstanding votes. The company holds no treasury shares.

Information relating to the Corona virus

As a result of the Corona virus, Bygghemma kindly asks the shareholders not to participate in this year's annual general meeting in person. Instead, Bygghemma encourages shareholders to carefully consider the possibility of participating in the meeting by way of proxy or advance voting (see below). Any questions to be raised by shareholders at the meeting can be sent to the company by e-mail to investment@bygghemmagroup.se in advance of the meeting.

Advance voting

The shareholders may exercise their voting rights at the general meeting by voting in advance. Bygghemma encourages the shareholders to use this opportunity in order to minimise the number of participants attending the general meeting in person and thus reduce the spread of the virus.

A special form shall be used for advance voting. The form is available on Bygghemma's website, www.bygghemmagroup.com. A shareholder exercising its voting right through advance voting do not need to notify the company of its attendance to the general meeting. The advance voting form is considered as the notification of attendance to the general meeting.

The completed voting form must be submitted to Bygghemma no later than Tuesday 28 April 2020. The completed and signed form shall be sent to the postal address or e-mail address stated under the section "Participation, etc." above. If the shareholder is a legal entity or is voting in advance by proxy, a certificate of incorporation or a corresponding document shall be enclosed to the form. The shareholder may not prove the advance vote with special instructions or conditions. If so, the vote is invalid. Further instructions and conditions is included in the form for advance voting.

Proposed agenda

1. Opening of the meeting.
2. Election of chairman of the meeting.
3. Preparation and approval of the voting list.
4. Election of one or two persons to approve the minutes of the meeting.
5. Determination of whether the meeting has been duly convened.
6. Approval of the agenda.
7. Presentation of the annual report and the auditor's report as well as the consolidated annual accounts and the auditor's report for the group.
8. Resolutions regarding
 - a) the adoption of the income statement and the balance sheet and the consolidated income statement and the consolidated balance sheet,
 - b) allocation of the company's results in accordance with the adopted balance sheet, and
 - c) discharge of the members of the board of directors and the managing director from liability.
9. Determination of the number of members of the board of directors and auditors.
10. Determination of remuneration for members of the board of directors and auditor.
11. Election of members of the board of directors, chairman of the board of directors and auditor.
12. Resolution regarding the nomination committee.
13. The board of directors' proposal regarding guidelines for remuneration to senior executives.
14. The board of directors' proposal regarding amendments to the articles of association
15. The board of directors' proposal regarding authorisation for the board of directors to resolve on new share issues.
16. The board of director's proposal regarding authorization for the board of directors to repurchase and transfer own shares.
17. The board of directors' proposal regarding implementation of a new long-term incentive program.
18. Closing of the meeting.

Allocation of the company's results (item 8b)

The board of directors proposes that no dividend shall be paid, and that the company's result shall be carried forward.

The nomination committee's proposals (items 2 and 9-12)

The nomination committee, composed of Fredrik Åtting (EQT, chariman), Johan Steen (FSN Capital), Kristian Ford (Mikael Olander) and Henrik Theilbjørn (chairman of the board of directors), proposes the following:

- Attorney-at-law Erik Sjöman shall be appointed chairman of the annual general meeting.
- The board of directors shall consist of seven members with no deputies.
- The remuneration to the board of directors shall amount to SEK 1,750,000 in total, in accordance with the following. SEK 400,000 shall be distributed to the chairman of the board and SEK 200,000 to each of the other board members not employed by the company. In addition, SEK 100,000 shall be distributed to the chairman of the audit committee and SEK 50,000 to the chairman of the remuneration committee.
- Re-election of members of the board of Bert Larsson, Ingrid Jonasson Blank, Johan Giléus and Niklas Ringby and election of Christian Bubenheim, Gustaf Öhrn and Niclas Thiel as new members of the board of directors. Christophe Le Houédec, Henrik Theilbjørn, Peter Möller and Tom Tang have declined re-election.
- Election of Gustaf Öhrn as new chairman of the board.
- The company shall have one auditor with no deputies.
- Remuneration to the auditor shall be paid in accordance with approved invoices within the auditor's quotation.
- Re-election of the audit company Öhrlings PricewaterhouseCoopers AB. The proposal is in accordance with the audit committee's recommendation.

Christian Bubenheim, born 1965, resident in Germany and previously for 14 years in the United States, American and German citizen, holds a Diploma in Economics and Engineering from University of Applied Sciences in Munich, Germany. Throughout most of his career Christian Bubenheim has held senior positions within e-commerce and technology, media and telecom, such as SM at Apple (1991-1997), GM at Mobile Compaq Computer (1997-2000), GM at Intel Mobile and VP at Xircom (2000-2002), VP and GM at Magellan GPS (2002-2008), Div. GM Consumables & Prime at Amazon Germany (2008-2014), SVP at Scout24 and GM at Auto Scout24 (2015-2017) and CEO at Internetstores (2018). Currently, he is engaged as investor and mentor for start-up companies and holds non-executive director positions as board member in Cramo, Dunlop Protective Footwear, Unilode and KfzTeile24. Christian Bubenheim holds no shares in Bygghemma.

Gustaf Öhrn, born 1967, resident in Sweden and Swedish citizen, holds an MBA from Stockholm University. Throughout most of his career Gustaf Öhrn has held senior positions within retail, such as Div. Head at H&M (1995-1999), MD at Speed Ventures (2000-2001), CEO at J.Lindeberg (2001-2005), CEO at Footquick (2006-2007) and CEO at Stadium (2008-2015). Currently, he serves as CEO at Åhlens and holds non-executive director positions as board member in Eton Shirts and Brav AS. Gustaf Öhrn holds no shares in Bygghemma.

Niclas Thiel, born 1982, resident in Sweden and Swedish citizen, holds an MSc. in Economics and Business Administration from the Stockholm School of Economics. Niclas Thiel has a considerable experience from investment activities and corporate governance, including from FSN Capital Partners (2016-), Bain Capital Private Equity (2013-2015), Investor AB (2009-2013) and Carnegie (2007-2009) in Stockholm and London. Currently, he serves as Principal at FSN Capital and holds non-executive director positions as board member in Saferoad, ViaCon and Aura Light. Niclas Thiel holds no shares in Bygghemma.

Further information on the board members proposed for re-election is available at www.bygghemmagroup.com.

The nomination committee further proposes that the annual general meeting resolves upon a nomination committee for the annual general meeting 2021, as follows.

The chairman of the board shall, based on the ownership of the company as of 30 September 2020, convene a nomination committee comprising the chairman of the board and one member appointed by each of the three largest shareholders (a "shareholder" below is referred to as an individual shareholder or a group of shareholders) in the company. In the event any of the three largest shareholders refrains from

their right to appoint a member of the nomination committee, the chairman of the board shall pass the right to appoint a member to the shareholder with the next largest shareholding in order.

The member of the nomination committee that represents the largest shareholder in respect of voting power shall be chairman of the nomination committee, provided that the members of the committee do not agree on another chairman. The chairman of the nomination committee shall not be a member of the board of directors in the company. A shareholder that has appointed a member of the nomination committee, is entitled to discharge that member and appoint a new member at any time. If a member resigns from the nomination committee prior to the completion of its work, the shareholder that appointed the member to the nomination committee is entitled to appoint a new member to the nomination committee. In the event a fundamental change of the ownership structure in the company occurs more than two months prior to the annual general meeting and where a shareholder, after such fundamental change in ownership, has become one of the three largest shareholders of the company, makes a request to the chairman of the nomination committee regarding the appointment of a member thereof, the nomination committee shall offer the shareholder the opportunity to appoint a member thereof. This member shall replace the member appointed by the shareholder that after the change of ownership no longer is one of the three largest shareholders in respect of voting power.

The members of the nomination committee shall not receive remuneration. However, the nomination committee is entitled to charge the company with reasonable costs for hiring recruitment consultants and other consultants that are necessary for the nomination committee to complete its tasks. In addition, the company shall, at the request of the nomination committee, provide reasonable human resources, such as a secretarial function, to facilitate the work of the nomination committee.

The nomination committee shall pursue the tasks that are the responsibility of the nomination committee pursuant to the Swedish Corporate Governance Code.

Guidelines for remuneration to senior executives (item 13)

The board of directors proposes the following guidelines for remuneration to senior executives.

General

The CEO and the two additional individuals in the company's executive management fall within the provisions of these guidelines. The guidelines are forward-looking, meaning that they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the 2020 Annual General Meeting. These guidelines do not apply to any remuneration decided or approved by the General Meeting.

How the guidelines' promote the company's business strategy, long-term interests and sustainability

In short, the company's business strategy is to leverage its leading position in the online home improvement market to continue benefiting from the market's underlying growth as a result of increasing online penetration and to couple organic expansion with further active consolidation measures, such as M&A.

For more information regarding the company's business strategy, please see the company website www.bygghemmagroup.com.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration.

These guidelines enable the company to offer the executive management a competitive total remuneration package.

Long-term share-related incentive plans have been implemented in the company. Such plans have been resolved by the general meeting and are therefore excluded from these guidelines. The long-term share-related incentive plan proposed by the board of directors and submitted to the 2020 Annual General Meeting for approval is excluded for the same reason. The proposed plan essentially corresponds to existing plans. The plans include senior executives, key individuals and employees in the company. The plans are conditional upon the participant's own investment and holding periods of several years. For more information regarding these incentive plans, please see www.bygghemmagroup.com.

Variable cash remuneration covered by these guidelines should aim to promote the company's business strategy and long-term interests, including its sustainability.

Types of remuneration, etc.

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

The fixed cash salary shall be individual and based on the responsibility and role of the senior executive, as well as the executive's competence and experience in the relevant position.

Variable cash remuneration may not amount to more than 200 per cent of the fixed annual cash salary. Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 100 percent of the fixed annual cash salary and may not be paid more than once each year per individual. Any resolution on such remuneration is to be made by the Board of Directors based on a proposal from the Remuneration Committee.

For the CEO, pension benefits, including health insurance (Sw: sjukförsäkring), is to be premium defined. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium-defined pension are to amount to not more than 100 percent of the fixed annual cash salary. For other executives, pension benefits, including health insurance, shall be premium-defined unless the individual concerned is subject to defined benefit pension under mandatory collective agreement provisions. Variable cash remuneration shall qualify for pension benefits to the extent required by mandatory collective agreement provisions. The pension premiums for premium-defined pension may not amount to more than 100 per cent of the fixed annual cash salary.

Other benefits may include, for example, life insurance, medical insurance (Sw: sjukvårdsförsäkring) and company cars. Premiums and other costs relating to such benefits may not amount to more than 100 percent of the fixed annual cash salary.

For employments governed by rules other than Swedish rules, pension benefits and other benefits may be duly adjusted to ensure compliance with mandatory rules or established local practice, taking into account, to the greatest extent possible, the overall purpose of these guidelines.

Termination of employment

Upon termination of an employment, the notice period may not exceed twelve months. Fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to the fixed cash salary for two years. When termination of employment is initiated by the executive, the notice period may not exceed nine months, without any right to severance pay.

Criteria for awarding variable cash remuneration, etc.

The variable cash remuneration is to be linked to predetermined and measurable criteria which can be financial or non-financial. They may also be individualized, quantitative or qualitative objectives. The criteria are to be designed so as to contribute to the company's business strategy and long-term interests, including its sustainability, for example by being clearly linked to the business strategy or promote the executive's long-term development.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The extent to which the criteria for awarding variable cash remuneration have been satisfied is to be evaluated/determined when the measurement period has ended. The Remuneration Committee is responsible for the evaluation insofar as it concerns variable remuneration to the CEO. For variable cash remuneration to other executives, the CEO is responsible for the evaluation. For financial objectives, the evaluation is to be based on the latest financial information made public by the company.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to executives and remuneration to other employees will be disclosed in the remuneration report.

The decision-making process to determine, review and implement the guidelines

The Board of Directors has established a Remuneration Committee. The committee's tasks include preparing the Board of Directors' decision to propose guidelines for executive remuneration. The Board of Directors is to prepare a proposal for new guidelines at least every fourth year and submit it to the General Meeting. The guidelines are to remain in force until new guidelines are adopted by the General Meeting. The Remuneration Committee is also responsible for monitoring and evaluating programmes for variable remuneration for executive management, the application of the guidelines for executive remuneration and the current remuneration structures and remunerations levels in the company. The members of the Remuneration Committee are independent of the company and its executive management. The CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

The board of directors' proposal regarding amendments to the articles of association (item 14)

The board of directors proposes that the meeting, as part of the company's corporate identity work and as a result of statutory amendments, resolves to amend the articles of association in accordance with the below.

Current wording	Proposed wording
<p style="text-align: center;">§ 1 Company name</p> <p>The name of the company is Bygghemma Group First AB. The company is a public company (publ).</p>	<p style="text-align: center;">§ 1 Company name</p> <p>The name of the company is BHG Group AB. The company is a public company (publ).</p>
<p style="text-align: center;">§ 9</p> <p>A shareholder that wishes to participate in a general meeting must be recorded in a printout or other transcript of the share ledger as of five (5) weekdays before the meeting, and notify the company of his/her, and any advisors (no more than two), intention to attend the meeting no later than on the date stated in the notice of the meeting. Such a date may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and may not occur earlier than the fifth weekday prior to the general meeting.</p>	<p style="text-align: center;">§ 9</p> <p>A shareholder that wishes to participate in a general meeting must be recorded in a printout or other transcript of the share ledger as of five (5) weekdays before the meeting, and notify the company of his/her, and any advisors (no more than two), intention to attend the meeting no later than on the date stated in the notice of the meeting. Such a date may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and may not occur earlier than the fifth weekday prior to the general meeting.</p>

The board of director's proposal regarding authorization for the board of directors to resolve on new share issues (item 15)

The board of directors proposes that the meeting resolves to authorize the board, on one or several occasions and for the period up to the next annual general meeting, to resolve to issue new shares, with or without deviation from the shareholders' pre-emptive rights. The total number of shares that may be issued under the authorization must total not more than 20 percent of the total number of shares outstanding in the company following exercise of the authorization. New issue may be made with or without provisions concerning non-cash consideration, set-off or other provision.

The purpose of the authorization is to enable the company to finance acquisitions with own shares and to provide the board of directors with increased flexibility in the work with the company's capital structure. Issuances of new shares under the authorization shall be made on market terms and conditions.

The board of director's proposal regarding authorization for the board of directors to repurchase and transfer own shares (item 16)

The board of directors proposes that the meeting resolves to authorize the board of directors, on one or several occasions, up and until the next annual general meeting, to resolve on the repurchase and transfer of own shares.

The total number of shares that may be re-purchased may not entail a treasury shareholding at any time exceeding 10 percent of the total number of shares in the company. Such re-purchases may only be made on Nasdaq Stockholm at a price within the applicable price range at any time.

Transfers of own shares may be made on Nasdaq Stockholm at a price within the applicable price range at the applicable time. Transfers may also be made in other ways, with or without deviation from the shareholders' pre-emptive rights, against cash payment or by set-off or with non-cash consideration, or otherwise upon conditions. Transfers may be made of not more than the number of own shares held by the company at the time of the board of director's resolution on a transfer.

The reason for the authorizations is to provide the board of directors with increased flexibility in the work with the company's capital structure and to enable the company to finance acquisitions with own shares.

The board of director's proposal regarding implementation of a new long-term incentive program (item 17)

The board of directors proposes that the annual general meeting resolves to implement a new long-term incentive program for certain senior executives and key individuals within the group, through the issue of warrants (LTIP 2020/2023) as follows.

Issue of warrants

The board of directors proposes that the annual general meeting resolves to issue not more than 1,100,000 warrants, whereupon the company's share capital may be increased by not more than SEK 33,000.

The right to subscribe for the warrants shall, with deviation from the shareholders' pre-emptive rights, only be vested in the categories of employees in the group as set forth below.

Executive Group management and country managers (maximum 10 persons) shall be entitled to subscribe for, in total not more than 500,000 warrants. Select CEOs and top management (maximum 15 persons) shall be entitled to subscribe for, in total not more than 450,000 warrants. Select other key staff (maximum 15 persons) shall be entitled to subscribe for, in total not more than 150,000 warrants.

Each warrant entitles to subscription for one new share in the company at a subscription price corresponding to 130 percent of the volume-weighted average share price pursuant to the official share price list of Nasdaq Stockholm during the five-day period preceding the allotment of warrants to each person participating in the program. Subscription for new shares by virtue of the warrants shall be made during the period 1 June 2023 up to and including 31 August 2023.

Subscription for warrants shall be made on a subscription list no later than 31 May 2020. Payment for subscribed warrants shall be made in cash no later than 14 June 2020. The price per warrant subscribed for amounts to the warrant's market value at the time of the subscription, calculated pursuant to the Black & Scholes warrant valuation model.

Preparation of and motives for the proposal

The principles of the LTIP 2020/2023 have been prepared by the board of directors of the company in consultation with external advisors and is based on the warrant programs adopted by the company in 2018 and 2019. The motives for the proposal and the reason for the deviation from the shareholders' pre-emptive rights are to implement LTIP 2020/2023 in order to create conditions to maintain and increase the motivation of the senior executives, employees and other key individuals within the company and the group. The board of directors deems that it is in all shareholders' interest that senior executives, employees and other key individuals have a long-term interest of a beneficial development of the value of the company's shares.

Dilution

Upon full exercise of the warrants at the terms and conditions applicable at the time of the resolution, the number of shares and votes in the company may be increased with 1,100,000, which corresponds to approximately 1 percent of the number of shares and votes. The dilutive effect is calculated as the number of additional shares upon full exercise of all warrants, in relation to the total number of shares upon full exercise. In the event the long-term incentive programs that were adopted in 2018 and 2019 is included in the calculation, the corresponding maximum dilutive effect amounts to approximately 4,8 percent of the number of shares and votes.

Costs, etc.

The participants in LTIP 2020/2023 receive a subsidy from the company, corresponding to 50 percent of the options' fair value at the time of subscription. A value corresponding to the subsidy is therefore reported as share-based payment in accordance with IFRS 2. The estimated total cost for the company based on the warrant price as per 1 April 2020 is approximately SEK 14,000,000.

Majority requirements

In order for a resolution in accordance with the above to be valid, the resolution must be supported by shareholders representing at least nine-tenths of the votes cast and the shares represented at the meeting.

The shareholders are reminded of their right to request information in accordance with Chapter 7 Section 32 of the Swedish Companies Act. The annual report and complete supporting documentation will be available at the company's offices at Hans Michelsensgatan 9, in Malmö, Sweden, and at the company's website www.bygghemmagroup.com no later than three weeks prior to the meeting and will be sent to shareholders who so request.

Processing of personal data

For information about the processing of your personal data, please refer to Euroclear's website www.euroclear.com/dam/ESw/Legal/Integritetspolicy-bolagsstammorsvenska.pdf. Bygghemma Group First AB's (publ) corporate registration number is 559077-0763 and its registered office is in Malmö, Sweden.

Malmö in April 2020

Bygghemma Group First AB (publ)

The board of directors

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This information was submitted for publication, through the agency of the contact persons set out above, at 17:30 CEST on 6 April 2020.



About BHG

BHG is the number 1 consumer e-commerce company in the Nordics. We're also present in most of Eastern and Central Europe. Our strong position in these markets makes us the largest European pure-play within the Home improvement space, meaning Do-It-Yourself and Home furnishings. With an ecosystem of online stores, supported by physical destinations and services, such as last-mile deliveries and installation, we offer the market's leading range of well-known external and strong own brands, totalling over 800,000 unique products and encompassing a complete offering within DIY, leisure, furniture and furnishings.

The Group includes over 85 online destinations — including sites like www.bygghemma.se, www.trademax.se, www.chilli.se and www.furniturebox.se — and over 70 showrooms. We are headquartered in Malmö, Sweden, with operations throughout Europe. Our share is traded on Nasdaq Stockholm, under the ticker 'BHG'.

The BHG brands employ more than 1,500 people, working every day to create the ultimate online shopping experience by combining an unbeatable product range with smart technology, leading product expertise and a broad range of services.