

Statement from the Supervisory Board of BoConcept Holding A/S regarding the recommended voluntary public offer submitted by Layout Bidco A/S on 7 June 2016

Important notice to all shareholders of BoConcept Holding A/S

The offer is being made in the form of an offer document including acceptance form prepared by Layout Bidco A/S and dated 7 June 2016. The offer document describes the terms and conditions of the offer, including the procedure for acceptance thereof. Any decision as to whether or not to accept the offer should be made only upon careful review of the offer document and this statement prepared in accordance with the Executive Order on Takeover Bids.

The statements made below about future circumstances, including especially about future revenue, operating performance and growth, are subject to uncertainty and associated with risk. Many factors are beyond BoConcept Holding A/S's control, which might entail that actual developments will differ significantly from the expectations expressed in this statement.

Statement from the Supervisory Board (the "**Board**") of BoConcept Holding A/S, company reg. (CVR) no. 34 01 84 13 ("**BoConcept Holding**" or the "**Company**") in compliance with section 23 of Executive Order no. 562 of 2 June 2014 on takeover bids (the "**Takeover Order**") regarding the recommended conditional voluntary public offer (the "**Offer**") submitted by Layout Bidco A/S ("**Layout Bidco**" or the "**Offeror**") on 7 June 2016.

1 Introduction

Today, 7 June 2016, Layout Bidco submitted a conditional voluntary public offer to the shareholders (the "**Shareholders**") of BoConcept Holding to acquire all shares in the Company (each a "**Share**" and collectively the "**Shares**").

The Offer is being made on the terms and conditions set forth in the offer document dated 7 June 2016 (the "**Offer Document**") published by the Offeror.

According to section 23(1) of the Takeover Order, the board of directors of a listed company which is the subject of a public offer shall draw up a statement setting out the board of directors' opinion of the offer and the reasons on which such opinion is based, including its views on the effects of the offer on all the company's interests and on the offeror's strategic plans for the offeree company and their likely consequences for employment and the locations of the company's places of business. Against this background, the Board has prepared this statement in relation to the Offer.

Due to the potential conflict of interest resulting from his direct and indirect significant shareholdings in the Company and controlling influence, the deputy chairman of the Board has not participated in the Board's preparation of this statement. See clause 8 below.

This statement is governed by Danish law.

2 The Offer

Pursuant to the Offer, the Shareholders of BoConcept Holding are offered a cash consideration of DKK 615 per A Share and DKK 500 per B Share (the "**Offer Price**"). Each A Share carries ten votes. Each B Share carries one vote.

If BoConcept Holding pays dividends or makes other distributions to the Shareholders during the period from 7 June 2016 to completion of the Offer, the Offer Price will be reduced by the total amount of such dividend or such other distribution payable per Share (on a DKK-for-DKK basis).

The offer period will commence on Tuesday, 7 June 2016 and will close on Tuesday, 5 July 2016 at 6:00 p.m. (CET) or at the expiration of any extension of the offer period as decided by Layout Bidco pursuant to section 9 of the Takeover Order and as set forth in clause 6.1 of the Offer Document (the "**Offer Period**").

For further information about the terms and conditions of the Offer, reference is made to the Offer Document, which is available at the website www.boconcept.com/dk/investor-relations and at the website of the Danish FSA, www.finanstilsynet.dk.

3 The Offeror

Information about Layout Bidco and Layout Bidco's ownership structure is set out in clause 3 of the Offer Document. This clause stipulates that Layout Bidco is ultimately owned or controlled by 3i Group plc and certain investment entities managed by 3i Investments plc (in the following referred to as "**3i**").

The Board refers to the description of the background to the Offer and Layout Bidco's intentions and strategy for BoConcept Holding set out in clause 2.4 of the Offer Document.

4 Background

4.1 BoConcept Holding – history and business

BoConcept Holding is a global furniture chain with 255 stores in more than 60 countries across the globe.

The history of BoConcept Holding dates back to 1952 when two Danish craftsmen and cabinet makers, Jens Ærthøj and Tage Mølholm, founded the business under the name of Ærthøj-Jensen og Mølholm Møbelfabrikker with a view to designing and producing furniture.

In 1962, the founders opened a factory in Herning, where the Company is still located, and in 1976 the company changed its name to Denka with a view to conquering international markets.

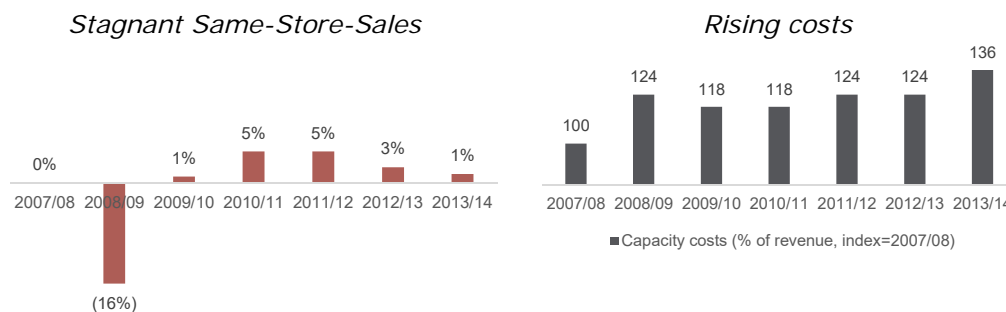
In 1984, the Company's shares were listed on the Copenhagen Stock Exchange, and in 1993 Viggo Mølholm took over the position as CEO. In the same year, BoConcept opened its first brand store in Belle Epine in Paris and another seven stores in France, China and the USA. In the following years, the Company's expansion on the international markets gained momentum.

2006 was a milestone year, as the Company's furniture from then on has only been sold through branded BoConcept stores that are either operated by the Company itself or by external franchisees. At the same time, the Company changed its name to BoConcept Holding A/S, and the operating company was named BoConcept A/S.

In 2012, Viggo Mølholm resigned as CEO and was elected chairman of the Board, while Torben Paulin, who had been employed with the Company since 1994, was appointed CEO.

Like the rest of the furniture industry, BoConcept Holding was also significantly affected by the financial crisis. In a number of countries in southern Europe, where the Company had a strong footprint prior to the financial crisis, many franchisees experienced financial difficulty. As a result, the Company experienced a slump in sales and strongly rising losses on franchisees during the financial crisis.

In 2013/14, the Company therefore faced a situation of many distressed franchisees, stagnant Same-Store-Sales and a considerably higher cost base.



Against this background, a new board was elected in the autumn of 2013 to help the Company address the challenges. In addition to the Company's controlling shareholder, Viggo Mølholm, the Company's shareholders elected Peter Thorsen, Preben Bager and Henrik Burkal as new members of the Board. As a new feature, a chairmanship was formed with Viggo Mølholm as chairman and Peter Thorsen as deputy chairman to actively engage in restoring the Company. In December 2014, Peter Thorsen took over as chairman, and Viggo Mølholm became deputy chairman.

In 2014, the chairman and deputy chairman and the rest of the management team launched a plan termed "Horizon", the purpose of which is to restore the Company

through a number of initiatives, including the closure of a large number of stores, cost cutting through staff reductions and other measures, and optimising business procedures.

The Horizon initiatives and other strategic measures have had a notable impact, and by the end of the 2015/16 financial year, the Company had experienced 24 consecutive months of positive Same-Store-Sales growth, while also improving profitability considerably during the same period. As a result, the Company is now in a much better position, strategically as well as financially.

However, challenges still lie ahead for the Company, including a number of stores that continue to deliver unsatisfactory financial results, a number of markets in which the Company's footprint is insufficient and a substantial capex requirement, including in the form of a complete upgrade of the Company's IT systems.

It would require substantial resources to further develop the business, especially management and financial resources.

The Board believes that, under the ownership of a company such as Layout Bidco, the Company would be very well positioned to achieve such a development to the benefit of the employees, franchisees and other stakeholders.

4.2 BoConcept Holding's full-year results

On 2 June 2016, BoConcept Holding released an early unaudited announcement of its full-year results for the 2015/16 financial year.

Revenue amounted to DKK 1,235 million in 2015/16, which was an increase of 7.6% relative to DKK 1,148 million in 2014/15. Same-Store-Sales growth in 2015/16 was 12.9%. Exchange rate developments lifted revenue by 4.0% during the period.

Gross profit amounted to DKK 518 million, which translates into a gross margin of 42.0% (DKK 466 million and 40.6% in 2014/15).

BoConcept Holding increased its profitability measured in terms of EBITDA before extraordinary items to DKK 149 million in the 2015/16 financial year, corresponding to an EBITDA margin of 12.1% (DKK 50 million and 4.4% in the 2014/15 financial year). Operating profit (EBIT) before extraordinary items improved to DKK 120 million, corresponding to an EBIT margin of 9.7% (DKK 15 million and 1.3% in 2014/15).

At the end of the 2015/16 financial year, the Company had net deposits of DKK 58 million against net borrowings of DKK 105 million at the end of the 2014/15 financial year.

4.3 BoConcept Holding's guidance for the 2016/17 financial year

For the 2016/17 financial year, the Company expects revenue to increase by 3-5% relative to the 2015/16 financial year. The EBIT margin is expected to be at a level of 10% in the 2016/17 financial year. The expectations are subject to unchanged market conditions and exchange rates.

The announced guidance does not take into consideration extraordinary costs arising as a result of the submission and completion of the Offer. If the Offer is completed, it will result in extraordinary costs for the Company's financial and legal advisers of approximately DKK 15-20 million. If the Offer is not completed, the extraordinary costs would amount to less than DKK 5 million. No member of the Board or the executive board of the Company will receive any bonus or other remuneration in connection with the Offer, except for any proceeds from the sale of their Shares in the Company.

On 23 June 2016, BoConcept Holding will release its annual report for the 2015/2016 financial year.

4.4 Significant risks

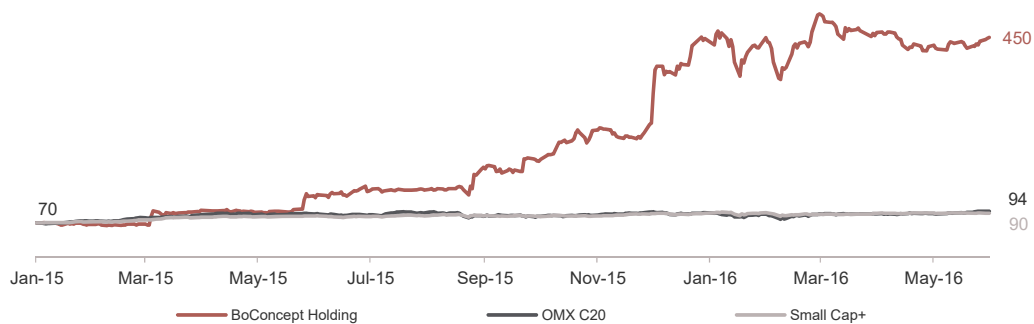
As described above in clause 4.1, the Board believes that the Company is still faced with a number of challenges that it will require substantial management and financial resources to address. In the Board's opinion, the principal risks associated with the future operation of the Company are as follows:

- The Company operates in a very cyclical industry and has its principal markets in the EU. The continuing economic volatility in Europe and the possibility of a prolonged period of limited growth in the EU entails substantial risks to the Company and its financial performance.
- The Company is in the process of implementing a new distribution model in the US market and will replace a share of its franchisees as part of the process. Failure to achieve a successful presence in the US market would make it difficult for the Company to achieve its long-term goals.
- The Company is facing substantial capital expenditure, including a complete upgrade of its IT systems. These investments, including execution and financing, involve substantial risks to the Company.
- The Company has substantial receivables from many of its franchisees. Some of these franchisees generally operate on a very fragile financial basis, and a macroeconomic slowdown could potentially force many of these franchisees to close. This would jeopardise a not inconsiderable part of the Company's earnings.

4.5 The Offer Price

Since 1 January 2015, the price of the Company's B Shares has increased from DKK 70 per share to DKK 450 per share at 1 June 2016 (the last day of trading before publication of the Offeror's announcement of submission of the Offer), equivalent to an increase of 542%. No other share traded on Nasdaq Copenhagen has experienced a greater increase during this period. During the same period, the OMX C20 index gained 35%, and the Small Cap+ index gained 29%.

Share price performance (Small Cap+ and OMXC20 indexed to BoConcept as at 1 January 2015)



The table below shows the premium represented by the Offer Price relative to the price per B Share at the relevant dates:

Period	Price per B Share (DKK)	Offer Price premium relative to historic price per B Share (%)
Closing price on Nasdaq Copenhagen on 1 June 2016 (the last day of trading before publication of the Offeror's announcement of submission of the Offer)	449.5	11.2%
Average closing price per B Share in the 6 months preceding the date of publication of the Offeror's announcement of submission of the Offer	439.5	13.8%
Average closing price per B Share in the 12 months preceding the date of publication of the Offeror's announcement of submission of the Offer	301.8	65.7%
Average closing price per B Share in the 24 months preceding the date of publication of the Offeror's announcement of submission of the Offer	196.2	154.8%

The 23% price difference between the A Shares and the B Shares has been agreed between the controlling shareholder, Viggo Mølholm, and the remaining members of the Board. In light of the fact that the controlling shareholder could have opted to sell his A Shares and B Shares to a new controlling shareholder, which would have entailed the subsequent submission of a mandatory takeover bid to holders of B Shares, and that, pursuant to section 14(3) of the Takeover Order, the price difference in such a scenario may be up to 50%, the Board considers the price difference to be fair.

4.6 Group of Shareholders

The Company has a total share capital of DKK 2,862,119, divided into 240,000 A Shares with a nominal value of DKK 10 each, each A Share carrying 10 votes, and 2,622,119 B Shares with a nominal value of DKK 10 each, each B Share carrying one vote. Otherwise, there are no differences between the two share classes.

At 31 May 2016, the Company had 1,513 registered Shareholders.

The following Shareholders have notified the Company that they hold more than 5% of the Shares and the votes:

- (a) BoConcept Invest ApS (240,000 A Shares and 372,082 B Shares, equivalent to 55.3% of the votes).
- (b) SmallCap Danmark A/S (317,453 B Shares, equivalent to 6.3% of the votes).
- (c) Kirk & Thorsen Invest A/S (180,850 B Shares, equivalent to 3.6% of the votes).

BoConcept Invest ApS is indirectly owned by, among others, Viggo Mølholm, deputy chairman of the Board, and Kirk & Thorsen Invest A/S is indirectly owned by, among others, Peter Thorsen, chairman of the Board. See also clause 8.1 below.

4.7 Change of ownership

The Company and the Company's subsidiaries have not entered into any material contracts containing provisions that will or may take effect in case of a change of control in the Company, including agreements made with customers and suppliers.

5 **Process until submission of the Offer**

At the beginning of the second half of 2015, the Company's controlling shareholder, Viggo Mølholm, approached the Board, indicating his intention to sell his shareholding and hence the controlling interest in the Company. At that time, Viggo Mølholm had identified a buyer who was interested in acquiring his shareholding and hence the controlling interest in the Company, but who did not necessarily want to acquire all B Shares in the Company.

Based on this indication, the Board engaged Danske Bank Corporate Finance (division of Danske Bank A/S) ("**Danske Bank**"), which, acting on behalf of the Company, started working on identifying potential bidders interested in placing a bid for all shares in the Company. The Board subsequently held discussions with several potential bidders, strategic as well as financial, and these discussions led to an agreement with Layout Bidco on the submission of a conditional voluntary public offer.

As described in more detail in the Offer Document, a number of Shareholders, including the chairman of the Board, the Company's controlling shareholder and SmallCap Danmark A/S, have made irrevocable undertakings to Layout Bidco to accept the Offer. Irrevocable undertakings have thus been received for 64.5% of the Company's B Shares (excluding treasury Shares). In addition, irrevocable undertakings to accept the Offer have been received for 100% of the Company's A Shares. Accordingly, irrevocable undertakings have been received to acquire a total of 67.5% of the Company's Shares, equivalent to 81.5% of the votes in the Company (excluding treasury Shares).

In its assessment of the Offer, the Board has emphasised that, prior to the Offeror's submission of the Offer, Danske Bank has conducted a structured process to explore the opportunities for a sale of all Shares in the Company to a buyer and that, based on these considerations, a number of Shareholders have committed to selling their Shares on the terms set forth in the Offer. If the Offer is not completed, the Board would expect, based on the information available, that the Company's controlling shareholder will seek to otherwise dispose of his shareholding. The Board believes that there is a risk that the terms, including the price, which would in such case be offered to the holders of B Shares in the Company, could be less attractive than the terms set forth in the Offer.

6 **Fairness opinion**

For the purpose of its assessment of the Offer, the Board has obtained a fairness opinion from its independent advisers, Danske Bank, dated 7 June 2016. Danske Bank concludes as follows:

"Based upon and subject to the content of this Fairness Opinion, it is our opinion that at the date of rendering this Fairness Opinion, the Offer Price is fair for the shareholders of BoConcept from a financial point of view."

7 **The Board's assessment**

The Board has assessed a number of factors related to the Offer, including in particular:

7.1 Advantages to the Shareholders

The Board believes that the Offer entails the following advantages to the Shareholders:

- (a) In light of the share price performance over the past 12 months, the Board considers the Offer Price and the premium represented by the Offer Price to be attractive for the Shareholders.
- (b) All Shareholders will have the opportunity to sell their aggregate shareholdings, thereby overcoming the illiquidity prevailing in the market for Small Cap equities.
- (c) The consideration to the Shareholders is paid in cash.
- (d) The Offer is not subject to any further due diligence investigations.
- (e) The Offer is only subject to customary conditions as set forth in the Offer Document.
- (f) If the Offer is not completed, the Board considers it likely, based on indications from the Company's controlling shareholder, that attempts will be made to sell a controlling interest (including all A Shares in the Company) to another buyer. The Shareholders would have no influence on whether such a sale would be completed at a lower price for the B Shares than the Offer Price. A resulting mandatory offer could consequently entail a lower price than the Offer Price. The Shareholders would also have no influence on the nature of such a buyer or its plans for the Company.
- (g) The prospects of a more attractive public offer for all Shares being submitted by a party other than the Offeror are deemed to be very limited, considering the exploration of sales options made by Danske Bank prior to submission of the Offer and taking into account the fairness opinion provided.

7.2 Disadvantages to the Shareholders

The Board believes that the Offer entails the following disadvantages to the Shareholders:

- (a) The Shareholders would not be able to share in any later value added to the Company.
- (b) The Offer is subject to acceptances being received from holders of more than 90% of the Shares and the votes in the Company.
- (c) The Shareholders will generally be taxed on the gain realised if they choose to sell their Shares. As the tax consequences of accepting the Offer will depend on the individual tax position of each Shareholder, the Board recommends that Shareholders evaluate their own individual tax position and, if necessary, consult with their own professional advisers.

7.3 Effects of the Offer on the Company's interests and employment

The Offer Document contains a description of the Offeror's plans for the Company. The Board has noted the Offeror's strategic plans for the Company's employment and places of business as described in the Offer Document.

The Board concurs with the Offeror's assessment of the potential positive consequences of the Offer for the Company's interests and employment.

8 Information on certain interests

8.1 Ownership interests of the members of the Board and the executive board

Peter Thorsen, chairman of the Board, indirectly, together with related parties, holds 6.3% of the Shares.

Viggo Mølholm, deputy chairman of the Board, directly and indirectly, together with related parties, holds 21.5% of the Shares, including 100% of the Company's A Shares. A number of Viggo Mølholm's family members hold Shares in the Company, in aggregate representing less than 10% of the Shares. Viggo Mølholm and related parties have a controlling interest in the Company.

Preben Bager, member of the Board, holds 0.5% of the Shares.

The Company's CEO, Torben Paulin, and the Company's CFO, Hans Barslund, hold 2.7% and 2.4%, respectively, of the Shares.

All members of the Board and the executive board directly or indirectly holding Shares have made commitments to the Offeror to sell their Shares in the announced voluntary Offer submitted by the Offeror.

The members of the Board and the executive board of BoConcept Holding neither directly nor indirectly have any ownership interests in Layout Bidco or any influence on decisions made by Layout Bidco.

8.2 Bonus

No member of the Board or the executive board of the Company will receive any bonus or other remuneration in connection with the Offer, except for any proceeds from the sale of their Shares in the Company.

9 Conclusion

On the basis of the advantages and disadvantages set forth above and the fairness opinion provided, the Board finds that the Offer represents a fair pricing of the Company's A Shares and B Shares, and the Board unanimously recommends the Shareholders to accept the Offer.

Based on his very considerable shareholding and controlling influence, the deputy chairman, Viggo Mølholm, did not participate in the preparation of the Board's statement.

Herning, 7 June 2016

Board of BoConcept Holding A/S:

Peter Thorsen (chairman)

Viggo Mølholm (deputy chairman) –
DISQUALIFIED

Preben Bager

Henrik Burkal

Tommy Jensen Graugaard

Poul Brændgaard