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Axfood completes acquisition of Bergendahls Food, enters partnership with City Gross

Axfood today completed its acquisition of the wholesale business Bergendahls Food as well as of the minority position in City Gross which is part of a strategic partnership. The acquisition creates economies of scale and synergies, and through greater efficiency and improvements in the assortment and logistics also benefits wholesale customers and Swedish consumers.

"Today we are creating history in Swedish food retail," comments **Klas Balkow**, President and CEO of Axfood. "Today, Bergendahls Food become part of Dagab, and we also initiate our strategic partnership with City Gross. With higher volumes we strengthen our positions on the market, and I very much look forward to our cooperation."

On 31 May 2021 Axfood announced that an agreement had been reached with Bergendahl & Son AB to acquire 100% of Bergendahl Food AB. In addition, as part of a strategic partnership, Axfood announced its intention to acquire a minority stake corresponding to 9.9% of the shares in City Gross Sverige AB ("City Gross") with an option to increase its total shareholding to 30%. The acquisition was completed today through Axfood taking possession of and becoming the owner of the shares under the agreement. Payment was made in cash through a combination of existing cash and credit facilities. To maintain a strong financial position over time, as previously communicated Axfood intends to carry out a new share issue of SEK 1.5 bn with preferential rights for existing shareholders. A proposal will be made to Axfood's Annual General Meeting on 23 March 2022 to authorize the Board of Directors to decide on a new issue of shares for implementation in 2022.

Further information about the transaction can be found in Axfood's press releases dated 31 May 2021 and 16 September 2021.

For further information, please contact:

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Axfood aspires to be the leader in good and sustainable food. Our family of companies includes the store chains Willys and Hemköp as well as Tempo and Handlar'n. B2B sales are handled through Snabbgross, and our support company Dagab is responsible for the Group's product development, purchasing and logistics. The Axfood family also includes Mat.se, Middagsfrid and Urban Deli as well as the partly owned companies Apohem and Eurocash. Together the Group has more than 11,000 employees and sales of more than SEK 53 bn. Axfood has been listed on Nasdaq Stockholm since 1997, and the principal owner is Axel Johnson AB. Read more at www.axfood.com.