



Press release Stockholm, 14 September 2018

## **Dustin resolves on previously announced rights issue of approximately SEK 700 million**

**Dustin Group AB (publ) ("Dustin" or the "Company") intends to carry out a rights issue to continue the Company's acquisition ambitions in existing markets. The Board of Directors of Dustin has today resolved to, subject to the approval by an extraordinary general meeting, carry out a rights issue of approximately SEK 700 million (the "Rights Issue"). Through the Rights Issue, the Company is given greater flexibility and ability to broaden its customer offer through the acquisition of companies with a high level of advanced products, services and recurring revenues.**

### **Summary**

- The Rights Issue is carried out to give Dustin greater flexibility and ability to, within the current strategy, enable Dustin's acquisition ambitions in existing markets
- The Company's largest shareholder Axel Johnson AB, on 31 August 2018 representing approximately 24.7 per cent of the total number of shares and votes in the Company, supports the resolution on the Rights Issue and intends to vote in favour of the approval of it at the extraordinary general meeting and subscribe for its *pro rata* share of the Rights Issue
- The full terms and conditions of the Rights Issue, including the subscription price, the increase in share capital and the number of shares, are expected to be announced not later than 5 October 2018. Provided that the Rights Issue is approved by the extraordinary general meeting, the record date for the Rights Issue will be 17 October 2018 and the subscription period will run from 19 October 2018 to 7 November 2018, inclusive
- The Board of Directors will today issue a separate press release with a notice to an extraordinary general meeting to be held on 10 October 2018

- Our clear ambition is to continue Dustin's successful growth strategy in the Nordics and in the Netherlands. We see increased transaction activity and continued opportunities to execute our acquisition strategy by adding companies that are focused on more advanced services and solutions. In order to take advantage of these opportunities, we are now carrying out a preferential rights issue directed towards our existing shareholders, says Thomas Ekman, President and CEO of Dustin.

### **Background and reasons**

Dustin is today a leading online IT partner in the Nordic region with newly acquired business in the Netherlands. The Company has a wide range of hardware and software products, related services and complete IT solutions. Dustin combines fast, reliable deliveries with a high IT knowledge and is a strategic IT partner for mainly small and medium-sized businesses, as well as for larger companies, public sector and consumers.

Dustin was founded in 1984 and introduced online sales as early as 1995, when e-commerce was launched in Sweden. During the years 2007 to 2014, Dustin expanded geographically in the Nordics by establishing its presence in Norway, Denmark and Finland.

Since its listing at Nasdaq Stockholm in February 2015, Dustin has focused on continuing to strengthen and broaden its offering of more advanced services, solutions and products and it has completed twelve additional acquisitions in order to continue to increase the relevance and service to its customers. In addition, Dustin has continued to broaden and professionalize its organization in order to encounter an increased level of specialized and service-based selling. Moreover, the Company has recently expanded geographically by its establishment in the Netherlands through the acquisition of Vincere Groep, announced in July 2018.

In connection with the listing in 2015, Dustin also presented its financial targets, including the growth target to achieve an average annual organic growth rate of 8 per cent over a business cycle as well as additional growth through acquisitions. Over the past five years period, Dustin reported an average net revenue growth rate (CAGR) of 14.9 per cent (2012/13- third quarter 2017/18), of which the average organic growth represented 8.0 per cent.

In addition to the organic growth target, Dustin has an ambition to maintain the current acquisition pace in all markets. The Company sees a major strategic value in and potential for increased margins through further acquisitions. Dustin primarily focuses on companies with a high range of advanced products, services and recurring revenues. Dustin continuously evaluates a large number of potential add-on acquisitions that can complement the Company's current product portfolio and further strengthen its position as the leading online IT partner on its existing markets. So far, Dustin has completed and financed all twelve acquisitions since the listing in 2015 through a combination of existing and generated funds as well as available credit facilities. The Rights Issue is carried out in order to give Dustin a greater flexibility and ability to, within its current strategy, enable Dustin's acquisition ambitions on existing markets.

The Company has now seen a large and increasing market activity with a high inflow of potential acquisition candidates in its existing markets in Sweden, Norway, Denmark, Finland and the Netherlands. In order to respond to and utilize this increased market activity and to continue to be an active and driving party in an ongoing market consolidation, the Board of Directors has decided, subject to approval by an extraordinary general meeting, to implement a preferential rights issue of approximately SEK 700 million, before the deduction of transaction costs.

The expected gross proceeds from the Rights Issue will be used to, over a business cycle, continue within the current strategy to gain a compound annual organic growth rate of 8 per cent as well as adding acquisitions in accordance with the current pace. Through the funds derived from the Rights Issue, Dustin expects the Company to be given a greater flexibility and ability to broaden its customer offer through further acquisition of companies with a high level of advanced products, services and elements of recurring revenues. The additional

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financial capacity which emerge from the Rights Issue will create significant future added value for Dustin's shareholders.

### **The Rights Issue**

Dustin's Board of Directors has today on 14 September 2018 resolved to, subject to the approval by an extraordinary general meeting to be held on 10 October 2018, carry out the Rights Issue of approximately SEK 700 million, before the deduction of transaction costs.

A shareholder in the share register maintained by Euroclear Sweden AB on the record date of 17 October 2018 has the right to subscribe for new shares in proportion to the number of shares the holder already owns. Application to subscribe for shares without the use of subscription rights will also be possible.

The full terms and conditions for the Rights Issue, including the amount by which share capital is to be increased, the number of new shares to be issued and the amount to be paid for each new share is expected to be published on or about 5 October 2018 (but no later than five business days prior to the record date).

The subscription period is expected to run from 19 October 2018 up to and including 7 November 2018, or a later date decided by the Board of Directors. Trading in subscription rights will take place on Nasdaq Stockholm during the period from 19 October 2018 up to and including 5 November 2018, and trading in paid subscribed shares (PSS) during the period from 19 October 2018 up to and including 9 November 2018.

The resolution by the Board of Directors on the Rights Issue is subject to approval of the extraordinary general meeting to be held on 10 October 2018. The notice of the meeting will today be published through a separate press release.

### **Support from main shareholder**

The Company's largest shareholder Axel Johnson AB, which on 31 August 2018 represented approximately 24.7 per cent of the total number of shares and votes in the Company, supports the resolution of the Rights Issue and intends to vote in favour of the approval of it at the extraordinary general meeting and subscribe for its *pro rata* share of the Rights Issue.

### **Prospectus**

Complete information regarding the Rights Issue and information about the Company will be included in the prospectus that is expected to be published on or about 18 October 2018.

### **Timetable for the Rights Issue**

The below timetable for the Rights Issue is preliminary and may be adjusted.

<b>5 Oct 2018</b>	Estimated date for publication of complete terms and conditions for the Rights Issue, including subscription price, number of new shares to be issued and the subscription ratio
<b>10 Oct 2018</b>	Extraordinary general meeting to approve the Rights Issue resolved by the Board of Directors
<b>15 Oct 2018</b>	Last day of trading in the share including right to participate in the Rights Issue
<b>16 Oct 2018</b>	First day of trading in the share excluding right to participate in the Rights Issue

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<b>17 Oct 2018</b>	Record date for participation in the Rights Issue, i.e. holders of shares who are registered in the share register on this day will receive subscription rights for participation in the Rights Issue
<b>18 Oct 2018</b>	Estimated date for publication of the prospectus
<b>19 Oct 2018–5 Nov 2018</b>	Trading in subscription rights
<b>19 Oct 2018–7 Nov 2018</b>	Subscription period
<b>Around 9 Nov 2018</b>	Estimated day for publication of outcome of the Rights Issue

### **Advisors**

In connection with the Rights Issue, Dustin has appointed Carnegie Investment Bank and Swedbank as financial advisors, and Gernandt & Danielsson Advokatbyrå as legal advisor.

### **For further information, please contact:**

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### **About Dustin**

Dustin is a reseller of IT products with associated services to companies, the public sector and private individuals. Operations are conducted in Sweden, Denmark, Norway, Finland and the Netherlands.

With its core business in e-commerce, Dustin functions as a bridge between the manufacturer's wide-ranging offerings and customer requirements, in which Dustin support customers in finding the appropriate solution for them. Dustin is a one-stop-shop that offers some 250,000 products with associated services, features and solutions.

The company has approximately 1 000 employees. Sales during the 2016/17 financial year amounted to approximately SEK 9.3 billion. About 90 per cent of Dustin's income derives from the corporate market with a focus on small and medium-sized companies. Dustin Group has been listed on Nasdaq Stockholm since 2015 and has its head office in Nacka, Stockholm.

### **IMPORTANT INFORMATION**

The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade in shares or other securities in Dustin. No action has been taken and measures will not be taken to permit a public offering in any jurisdictions other than Sweden. Any invitation to the persons concerned to subscribe for shares in Dustin will only be made through the prospectus that Dustin estimates to publish on or about 18 October 2018.

The information in this press release may not be released, published or distributed, directly or indirectly, in or into the United States (including its territories and provinces, every state in the United States and the District of Columbia, ("United States")), Canada, Australia, Japan, Hong Kong, Singapore, or any other jurisdiction in which such action would be unlawful, is subject to legal restrictions or would require other measures than those required by Swedish law. Actions in violation of these restrictions may constitute a violation of applicable securities laws.

No shares or other securities in Dustin have been registered, and no shares or other securities will be registered, under the United States Securities Act of 1933, as amended (the "U.S.

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This press release may contain forward-looking statements which reflect Dustin’s current view on future events and financial and operational development. Words such as “intend”, “expect”, “anticipate”, “may”, “believe”, “plan”, “estimate” and other expressions which imply indications or predictions of future development or trends, and which are not based on historical facts, are intended to identify forward-looking statements. Forward-looking statements inherently involve both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not guarantee future results or development and the actual outcome could differ materially from the forward-looking statements.