



Press release, October 11, 2023

THIS PRESS RELEASE IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, HONG KONG, JAPAN, NEW ZEALAND, SINGAPORE, SOUTH AFRICA OR ANY OTHER COUNTRY WHERE SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD VIOLATE APPLICABLE LAWS OR REGULATIONS OR WOULD REQUIRE ADDITIONAL DOCUMENTS TO BE PREPARED OR REGISTERED OR REQUIRE ANY OTHER ACTIONS TO BE TAKEN, IN ADDITION TO THE REQUIREMENTS UNDER SWEDISH LAW. PLEASE SEE "IMPORTANT INFORMATION" AT THE END OF THIS PRESS RELEASE.

The Board of Directors of Dustin resolves on a fully guaranteed rights issue of approximately SEK 1,750 million to reduce net debt and support continued profitable growth

The Board of Directors of Dustin Group AB (publ) ("Dustin" or the "Company") has today resolved on a fully guaranteed rights issue with preferential rights for existing shareholders of approximately SEK 1,750 million before deduction of issue costs (the "Rights Issue"), conditional upon approval by an Extraordinary General Meeting intended to be held on November 10, 2023. The purpose of the Rights Issue is to ensure a flexible and optimised capital structure and strengthen the balance sheet by reducing the net debt and thereby support continued profitable growth.

Summary

- New issue of ordinary shares of approximately SEK 1,750 million before deduction of issue costs with preferential rights for existing shareholders.¹
- The purpose of the Rights Issue is to ensure a flexible and optimised capital structure and a strengthened balance sheet by reducing the net debt, and thereby creating conditions for Dustin to fully focus on delivering in accordance with the Company's strategic plan and financial targets, and not to risk breaching financing conditions regarding net debt in the current weak market situation.
- The Rights Issue further provides improved conditions to accelerate synergy effects within the Company, enable investments in several growth initiatives such as further improving the customer offering and over time continue the expansion in Europe in line with previously communicated strategy.

¹Excluding shares held in treasury. In total, there are 113,943,776 issued shares in Dustin, of which 113,118,776 are ordinary shares and 825,000 shares of series C. As of the date of this press release, the Company holds all 825,000 shares of series C in treasury which do not entitle to participation in the Rights Issue.

- The Company's largest shareholder Axel Johnson, representing approximately 33.8 per cent of the shares and votes in Dustin, has undertaken to exercise its preferential rights in the Rights Issue and thereby subscribe for new ordinary shares corresponding to Axel Johnson's pro rata share of the Rights Issue. Axel Johnson has also provided a guarantee undertaking for the remaining part of the Rights Issue. The entire Rights Issue is thus secured by the subscription commitment and the guarantee undertaking.
- The record date for the right to participate in the Rights Issue with preferential rights is November 14, 2023, and the subscription period is expected to run from and including November 16, 2023, up to and including November 30, 2023.
- The complete terms and conditions for the Rights Issue, including the subscription price and the number of new ordinary shares, will be resolved by the Company's Board of Directors and announced no later than November 7, 2023.
- The Board of Directors' resolution on the Rights Issue is conditional upon approval by an Extraordinary General Meeting intended to be held on November 10, 2023. The notice of the Extraordinary General Meeting will be announced today through a separate press release.

President and CEO, Johan Karlsson, comments:

"With the planned rights issue, we are creating conditions to fully focus on continued development and profitable growth to achieve our financial targets. The share issue makes us stronger, more competitive and less vulnerable to external factors."

Background and reasons

Dustin is a leading online based IT partner, offering a broad range of hardware and software with related services and solutions to small and medium-sized businesses, large companies and the public sector, and consumers in the Nordics and the Benelux. During the financial year 2022/23, Dustin's net sales amounted to SEK 23,577 million and adjusted EBITA amounted to SEK 724 million, corresponding to an adjusted EBITA margin of 3.1 per cent. The current and previous financial years have been characterised by challenging market conditions with macroeconomic concerns and a distinctly cautious development among several of Dustin's customer groups. Due to the challenging market situation, Dustin has implemented measures to improve working capital, reduce costs and secure the pricing strategy to increase profitability and cash flow, and reduce the net debt ratio. Ongoing investments in the IT platform and organisational changes enable revenue and cost synergies and provide leverage to increase margins in Dustin's customer segments towards the Company's financial targets. Dustin's business plan and growth ambitions stand firm with the goal of becoming one of Europe's leading IT partners through both organic and acquisition-driven growth. The net debt in relation to adjusted EBITDA is currently 5.0 times for the financial year 2022/23, which exceeds the Company's financial target. In light of the challenging market conditions, the Board of Directors recognises a need to provide financial headroom in relation to financing conditions regarding net debt for the coming quarters by now strengthening the balance sheet and thereby increasing financial flexibility. Increased financial flexibility also provides the prerequisites for maintaining Dustin's business plan and growth ambitions.

The Rights Issue of approximately SEK 1,750 million is carried out to ensure a flexible and optimised capital structure and a strengthened balance sheet by reducing the net debt and thereby reducing financial costs, thus creating conditions to accelerate synergy effects within the Company, enable investments in several growth initiatives such as further improving the customer offering and over time continue the expansion in Europe in line with previously communicated strategy. Through the fully guaranteed Rights Issue, Dustin reduces its net debt ratio from 5.0 to 3.2 times adjusted

EBITDA for the financial year 2022/23, and is expected to continue to reduce the Company's net debt towards the financial target of 2.0-3.0 times through a strong operating cash flow.

The Rights Issue

The Board of Directors of Dustin has today resolved, conditional upon approval by an Extraordinary General Meeting intended to be held on November 10, 2023, to increase the Company's share capital by way of a new issue of ordinary shares of approximately SEK 1,750 million, before deduction of issue costs, with preferential rights for existing shareholders.² The record date for the right to participate in the Rights Issue with preferential rights shall be November 14, 2023. Notification to subscribe for ordinary shares may also be made without the exercise of subscription rights.

The Board of Directors will at the latest on November 7, 2023, resolve on the maximum amount by which the Company's share capital shall be increased, the maximum number of ordinary shares to be issued, the number of existing shares that shall entitle to subscription for a certain number of new ordinary shares and the subscription price to be paid per ordinary share.

The subscription period is expected to run from and including November 16, 2023, up to and including November 30, 2023. Trading in subscription rights is expected to take place on Nasdaq Stockholm from and including November 16, 2023, up to and including November 27, 2023, and trading in paid subscription shares (*Sw. Betalda tecknade aktier*) from and including November 16, 2023, up to and including December 6, 2023.

Subscription commitment and guarantee undertaking

The Company's largest shareholder Axel Johnson, representing approximately 33.8 per cent of the shares and votes in Dustin, has undertaken to exercise its preferential rights in the Rights Issue and thereby subscribe for new ordinary shares corresponding to Axel Johnson's pro rata share of the Rights Issue. Axel Johnson has also provided a guarantee undertaking for the remaining part of the Rights Issue. The entire Rights Issue is thus secured by the subscription commitment and the guarantee undertaking. A cash consideration corresponding to 1 per cent of the guaranteed amount will be paid for the undertaking. Neither the subscription commitment nor the guarantee undertaking is secured by bank guarantees, blocked funds, pledges or similar arrangements.

Extraordinary General Meeting

The Rights Issue is conditional upon approval at an Extraordinary General Meeting. The Rights Issue is further conditional upon a resolution by the Extraordinary General Meeting to amend the Articles of Association regarding the limits of the share capital and the number of shares. The Extraordinary General Meeting is intended to be held on November 10, 2023, at 10.00 CET at Advokatfirman Cederquist's premises, Hovslagargatan 3 in Stockholm. The notice of the Extraordinary General Meeting will be announced today through a separate press release.

Axel Johnson has undertaken to vote in favour of the Board of Directors' proposals at the Extraordinary General Meeting.

Indicative timetable for the Rights Issue

November 7, 2023

Announcement of complete terms and conditions for the Rights Issue

² Excluding shares held in treasury. In total, there are 113,943,776 issued shares in Dustin, of which 113,118,776 are ordinary shares and 825,000 shares of series C. As of the date of this press release, the Company holds all 825,000 shares of series C in treasury which do not entitle to participation in the Rights Issue.

November 10, 2023	Extraordinary General Meeting to resolve to amend the Articles of Association and to approve the Board of Directors' resolution regarding the Rights Issue
November 10, 2023	Last day of trading including the right to participate in the Rights Issue
November 13, 2023	First day of trading excluding the right to participate in the Rights Issue
November 14, 2023	Record date
November 16-30, 2023	Subscription period
November 16-27, 2023	Trading in subscription rights
November 16 - December 6, 2023	Trading in paid subscription shares (Sw. Betalda tecknade aktier)
December 1, 2023	Announcement of outcome in the Rights Issue

Prospectus

Further information regarding the Rights Issue and the Company will be included in the prospectus expected to be published on or about November 15, 2023.

Advisers

Carnegie Investment Bank AB (publ), Nordea Bank Abp, filial i Sverige, Svenska Handelsbanken AB (publ) and Swedbank AB (publ) are Joint Global Coordinators and Joint Bookrunners and Advokatfirman Cederquist is legal adviser to Dustin in connection with the Rights Issue.

For additional information, please contact:

Eva Ernfors, Head of Communication: eva.ernfors@dustin.com, +46 70 258 62 94

This information is such information that Dustin Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:15 CEST on October 11, 2023.

About Dustin

Dustin is a leading online based IT partner in the Nordics and Benelux. We help our customers to stay in the forefront by providing them with the right IT solution for their needs.

We offer approximately 280,000 products with related services to companies, the public sector and private individuals. Sales for the financial year 2022/23 amounted to approximately SEK 23.6 billion and just over 90 per cent of the revenues came from the corporate market.

Dustin has approximately 2,200 employees and has been listed on Nasdaq Stockholm since 2015, with its headquarters in Nacka Strand just outside the centre of Stockholm.

IMPORTANT INFORMATION

This press release does not contain or constitute an offer to subscribe, acquire or otherwise trade in shares, subscription rights or other securities in Dustin. Invitation to the persons concerned to subscribe for shares in Dustin will only be made by means of the prospectus that Dustin intends to publish on the Company's website following the approval and registration thereof by the Swedish Financial Supervisory Authority. The prospectus will contain, among other things, risk factors,

financial information as well as information regarding the Company's Board of Directors. This press release has not been approved by any regulatory authority and is not a prospectus and accordingly, investors should not subscribe for or purchase any securities referred to in this press release except on the basis of information contained in the prospectus to be published.

The information in this press release is not for release, publication or distribution, directly or indirectly, in or into the United States, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, or any other jurisdiction where such release, publication or distribution would violate applicable laws or regulations or would require additional documentation to be prepared or registered or require any other action to be taken, in addition to what is required under Swedish law. Any failure to comply with the restrictions described may result in a violation of applicable securities regulations.

No subscription rights, paid subscription shares (Sw. *Betala tecknade aktier*) or shares issued by Dustin have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or the securities legislation of any state or other jurisdiction of the United States and no subscription rights, paid subscription shares or shares may be offered, subscribed for, exercised, pledged, granted, sold, resold, delivered or otherwise transferred, directly or indirectly, in or into the United States, other than according to applicable exceptions from, or in a transaction not subject to, the registration requirements of the Securities Act, and in accordance with securities laws in the state or other jurisdiction in question in the United States. There will be no public offering of such securities in the United States. The securities referred to herein have not been approved or disapproved by the U.S. Securities and Exchange Commission (SEC), any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Rights Issue or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

This press release is distributed to and directed only at (i) persons who are outside the United Kingdom or (ii) persons who have professional experience in matters relating to investments falling within the definition of "professional investors" in Article 19(2) of the British Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Order or (iv) certified high net worth individuals and certified and self-certified sophisticated investors as described in Articles 48, 50, and 50A respectively of the Order or (v) persons to whom this press release may otherwise be lawfully communicated (all such persons together being referred to as "relevant persons"). Any investment to which this press release relates will only be available to and will only be directed to and distributed to relevant persons. Any person who is not a relevant person should not take any action based on this press release, nor act or rely on it.

This press release is being distributed and directed to member states within the European Economic Area, only to those persons who are qualified investors under Regulation (EU) 2017/1129 (the "Prospectus Regulation") in such member state, and such other persons as this press release may be addressed on legal grounds. No person that is not a relevant person or qualified investor may act or rely on this press release or any of its content. No offer to the public is being made by any member state of the European Economic Area other than Sweden.

Carnegie Investment Bank AB (publ), Nordea Bank Abp, filial i Sverige, Svenska Handelsbanken AB (publ) and Swedbank AB (publ) are acting exclusively for Dustin in connection with the Rights Issue and not for anyone else. Carnegie Investment Bank AB (publ), Nordea Bank Abp, filial i Sverige, Svenska Handelsbanken AB (publ) and Swedbank AB (publ) are not responsible to anyone else than Dustin for providing the protections provided to their customers or for providing advice in connection with the Rights Issue or in respect of anything else referred to herein.

Forward-looking statements

This press release contains certain forward-looking statements which reflects Dustin's current view on future events and anticipated financial and operational performance. Words such as "intend", "assess", "expect", "may", "plan", "believe", "estimate" and other expressions entailing indications or predictions of future development or trends, not based on historical facts, constitute forward-looking statements. Forward-looking statements is inherently associated with both known and unknown risks and uncertainties as it depends on future events and circumstances. Forward-looking statements is not a guarantee of future results or development, and actual outcomes may differ materially from the statements set forth in the forward-looking statements. Forward-looking statements in the press release speak only as of the date of the press release and are subject to change without notice. The Company makes no promises to publish updates or revisions to forward-looking statements as a result of new information, future events or the like beyond what is required by applicable laws or stock market regulation.