



Dustin announces the terms of its fully guaranteed rights issue

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On October 11, 2023, Dustin Group AB (publ) ("Dustin" or the "Company") announced that the Board of Directors had 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 to be held on November 10, 2023. The Board of Directors has today resolved on the terms of the Rights Issue. In order to clarify the capital needs to the shareholders, the Company also discloses financial conditions concerning net debt.

Summary

- Those who are registered as shareholders in Dustin on the record date will receive one (1) subscription right for each share in the Company held. One (1) subscription right entitle to subscription for three (3) new ordinary shares. ^[1]
- The subscription price in the Rights Issue is SEK 5.15 per ordinary share. Provided that the Rights Issue is fully subscribed, Dustin will consequently raise approximately SEK 1,750 million before deduction of issue costs.
- The record date for the right to participate in the Rights Issue with preferential rights is November 14, 2023, and the subscription period runs from and including November 16, 2023, up to and including November 30, 2023.
- The Rights Issue is conditional upon approval by an Extraordinary General Meeting to be held on November 10, 2023.
- Dustin's largest shareholder Axel Johnson, representing approximately 33.8 per cent of the shares and votes in the Company, has undertaken to vote in favour of the Rights Issue at the Extraordinary General Meeting and 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.
- As previously communicated, and in light of the uncertainty in the business cycle and the near-term market development, the Board of Directors recognises a need to establish flexibility with regard to the financing conditions concerning net debt for the coming quarters by way of a rights issue. In order to clarify the capital needs to the shareholders, the Company hereby discloses the financial conditions for the coming quarters. According to the financial conditions of the existing credit facility, the Company has commitments regarding net debt in relation to adjusted EBITDA (the "Net Debt Ratio"). The Net Debt Ratio amounted to 5.0 times for the financial year 2022/23, and the commitment in the credit facility stands at 4.5 times for the current quarter, decreasing to 4.25 times during the second quarter of the financial year 2023/24, with further gradual reductions during the coming quarters. Taking into account these combined factors, the Board of Directors deems that the Rights Issue of approximately SEK 1,750 million must be carried out to prevent the Company from potentially breaching the financial commitment related to net debt in the Company's existing credit facility over the coming quarters.
- The net proceeds from the Rights Issue are intended to be used in its entirety to reduce the Company's net debt by, during the forthcoming twelve-month period, repaying on the Company's

existing credit facility and thereby ensuring a flexible and optimised capital structure.

Terms of the Rights Issue

Those who are registered as shareholders in Dustin on the record date will receive one (1) subscription right for each share in the Company held. One (1) subscription right entitles to subscription for three (3) new ordinary shares.^[2]

If not all of the ordinary shares are subscribed for by exercise of subscription rights, the Board of Directors shall resolve on allotment of ordinary shares subscribed for without exercise of subscription rights, within the maximum amount of the Rights Issue, in accordance with the following allocation criteria. Firstly, allotment of new ordinary shares shall be made to those who also have subscribed for ordinary shares by exercise of subscription rights (irrespective of whether the subscriber was registered as a shareholder on the record date or not), and in the event that allotment cannot be made in full to those, allotment shall be made pro rata in relation to the number of subscription rights that have been exercised for subscription of ordinary shares and should this not be possible, by drawing of lots. Secondly, allotment of ordinary shares shall be made to those who have only applied for subscription of ordinary shares only without exercise of subscription rights, and in the event that allotment cannot be made in full to those, allotment shall be made pro rata in relation to the number of ordinary shares that each one has applied to subscribe for, and should this not be possible, by drawing of lots. Thirdly, any remaining ordinary shares shall be allotted to Axel Johnson as guarantor, subject to the terms and conditions of the guarantee undertaking.

The Rights Issue may increase Dustin's share capital by a maximum of SEK 1,696,781,677.437408 from SEK 569,718,892.570149 to SEK 2,266,500,570.007557. The number of shares in the Company may be increased by a maximum of 339,356,328, from 113,943,776 to 453,300,104.

The subscription price in the Rights Issue is SEK 5.15 per ordinary share. Provided that the Rights Issue is fully subscribed, Dustin will consequently raise approximately SEK 1,750 million before deduction of issue costs.

The record date for the right to participate in the Rights Issue with preferential rights is November 14, 2023. The subscription period runs from and including November 16, 2023, up to and including November 30, 2023. Trading in subscription rights takes place on Nasdaq Stockholm during the period from and including November 16, 2023, up to and including November 27, 2023, and trading in paid subscription shares (Sw. *Betalda tecknade aktier*) during the period from and including November 16, 2023, up to and including December 6, 2023.

Shareholders who choose not to participate in the Rights Issue will have their shareholdings diluted by a total of 339,356,328 new shares upon full subscription, corresponding to approximately 74.9 per cent of the total number of shares in Dustin after the Rights Issue.^[3] These shareholders can financially compensate for the dilution effect by selling their subscription rights.

The Rights Issue is subject to approval by the Extraordinary General Meeting 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 is available at Dustin's webpage www.dustingroup.com.

Subscription commitment and guarantee undertaking

Dustin'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.

Indicative timetable for 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 for participation in the Rights Issue
November 16-30, 2023	Subscription period

November 16-27, 2023

November 16 - December 6, 2023

December 1, 2023

Trading in subscription rights

Trading in paid subscription shares (Sw. *Betalda tecknade aktier*)

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.

Lock-up commitments

In connection with the Rights Issue, the Company will, subject to customary exceptions, enter into a lock-up commitment for future share issuances for a period of 180 calendar days following the completion of the Rights Issue. Furthermore, Axel Johnson and members of the Company's Board of Directors and Executive Management will, subject to customary exceptions, undertake not to sell their shares in the Company for a period of 180 calendar days following the completion of the Rights Issue.

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 KB is legal adviser to Dustin in connection with the Rights Issue.

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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 08:00 CET on October 31, 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.

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No subscription rights, paid subscription shares (Sw. *Betalda 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.

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^[1] 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.

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^[3] Calculated including the 825,000 shares of series C which Dustin holds in treasury.