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Press release 24 August 2018

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Mekonomen resolves on rights issue of approximately SEK 1,650m related to the acquisition of FTZ and Inter-Team

The Board of Directors of Mekonomen AB (publ) ("Mekonomen" or the "Company") has resolved to, subject to approval of an Extraordinary General Meeting, carry out a rights issue of approximately SEK 1,650m with preferential right for Mekonomen's shareholders.

- The rights issue is carried out for the purpose of repaying part of the bank financing of Mekonomen's acquisition of the FTZ¹ and Inter-Team² in accordance with the loan agreement with the financing banks
- Mekonomen's main owner LKQ has provided a subscription undertaking corresponding to 26.5 per cent of the rights issue. The remaining portion of the rights issue is covered by an underwriting commitment (a so called standby underwriting agreement) from Nordea and SEB subject to customary conditions. In addition, shareholders representing in total 25.1 per cent of the total number of shares and votes in the Company have declared their intention to vote in favour of the Board's rights issue resolution at the General Meeting, and their intention to subscribe for their respective pro rata share in the rights issue
- Record date is 1 October 2018 and the subscription period runs during the period 3 October – 18 October 2018
- Final terms of the rights issue, including subscription price and number of new shares, will be determined by the Board and announced no later than 24 September 2018
- Mekonomen's acquisition of FTZ and Inter-Team is expected to be completed first week of September 2018

Background and reasons

On 6 July 2018 Mekonomen announced the acquisition of the automotive part distributors FTZ in Denmark and Inter-Team in Poland from HELLA³ for a purchase

¹ FTZ Autodele & Værktøj A/S ("FTZ").

² INTER-TEAM Sp.z.o.o. ("Inter-Team").

³ HELLA Holding International GmbH ("HELLA").

price of EUR 395m⁴ (SEK 4,155m⁵) on a cash-and debt-free basis. The conditions precedent in the form of merger control approvals etc. under the Share Purchase Agreement with HELLA are now met and completion of the transaction is planned to occur sometime during the first week of September 2018. On the date of completion, Mekonomen shall pay the purchase price, subject to certain additional items and deductions that will be determined in relation to the completion.

Through the acquisition, Mekonomen strengthens its position in the sale of automotive spare-parts in northern Europe and establishes a strong market position in Denmark and Poland, where Mekonomen has no current operations. The acquisition is in line with the Company's strategy of playing a central role in the ongoing consolidation in Europe. The acquisition is expected to contribute positively to Mekonomen's earnings per share during next year and generate significant synergies in the coming years.

The acquisition is being financed by secured bank financing from Nordea and SEB. Part of the bank financing consists of a bridge facility of EUR 158m intended to be repaid through the rights issue which the Board resolved today in accordance with the loan agreement with the financing banks. For further information on the background and reasons, including further information on the Company, the acquisition as well as the Company's strategy and financial objectives, please see the press release of 6 July 2018 and the coming rights issue prospectus.

Terms for the rights issue

Mekonomen's existing shareholders will have a preferential right to subscribe for new shares in proportion to the number of shares that the holder already holds. The record date to determine which shareholders are entitled to subscribe for shares with preferential rights is 1 October 2018. It will also be possible to subscribe for shares without preferential right.

The increase in share capital, the number of shares to be issued and the subscription price will be determined by the Board and announced no later than 24 September 2018. The subscription period is expected to run from 3 October 2018 and up to and including 18 October 2018, or such later date as determined by the Board. Trading in subscription rights is expected to take place from 3 October 2018 up to and including 16 October 2018.

The Board's resolution on the rights issue is subject to the approval by the Extraordinary General Meeting that will take place on 26 September 2018. The rights issue requires amendments to the Company's articles of association and the resolution by the Extraordinary General Meeting therefore requires approval with two thirds majority. For further information on the Extraordinary General Meeting, please refer to the notice in a separate press release.

Subscription undertakings and underwriting commitments

The Company's main owner LKQ Netherlands BV, which holds 26.5 per cent of the total number of shares and votes in Mekonomen, has committed to vote in favour of the rights issue and to subscribe for its pro rata share in the rights issue. The remaining portion of the rights issue is covered by an underwriting commitment (a so called standby underwriting agreement) from Nordea and SEB subject to customary

⁴ In addition to the purchase price of EUR 395m, a consideration equivalent to cash flows from the acquired entities attributable to the seller (Locked box) from 30 Nov 2017 to completion of the transaction, will be paid to the seller.

⁵ Purchase price of EUR 395m equals SEK 4,155m with an exchange rate (EUR/SEK) of 10.52.

conditions. In addition, shareholders representing in total 25.1 per cent of the total number of shares and votes in the Company have declared their intention to vote in favour of the Board's rights issue resolution at the General Meeting, and their intention to subscribe for their respective pro rata share in the rights issue.

Preliminary timetable

24 September 2018	Announcement of final terms including subscription price and subscription ratio
26 September 2018	Extraordinary General Meeting for the approval of the Board's resolution on the rights issue
27 September 2018	Last date of trading in shares including the right to participate in the rights issue
28 September 2018	First trading day in shares excluding the right to participate in the rights issue
28 September 2018	Estimated date for publication of the prospectus
1 October 2018	Record date, i.e. shareholders registered in the share register on this day will receive subscription rights giving the right to participate in the rights issue
3-16 October 2018	Trading in subscription rights
3-18 October 2018	Subscription period
3-30 October 2018	Trading in paid subscribed shares
23 October 2018	Estimated date of publication of the preliminary result of the rights issue
25 October 2018	Estimated date of publication of the final result of the rights issue

Financial and legal advisors

Mekonomen has in connection with the rights issue appointed Nordea Bank AB (publ) and Skandinaviska Enskilda Banken AB (publ) as financial advisors and Hannes Snellman Attorney Ltd has been engaged as legal advisor.

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The information was submitted for publication at 6.00 p.m. on 24 August 2018. This press release will be published in Swedish and English. The Swedish version represents the original version and has been translated into English.

Mekonomen Group consists of the leading automotive spare-parts chains in the Nordic region, with proprietary wholesale operations, over 300 stores and 2,000 workshops operating under the Group brands. We offer a wide and easily accessible range of inexpensive and innovative solutions and products for consumers and companies.

Important information

The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade in shares, subscription rights or other securities in Mekonomen. Any invitation to the persons concerned to subscribe for shares in Mekonomen will only be made through the prospectus which Mekonomen expects to publish around 28 September 2018.

This press release may not be released, published or distributed, directly or indirectly, in or into Australia, Japan, Canada, the United States or any other jurisdiction where participation would require additional prospectuses, registration or measures besides those required by Swedish law. Nor may this press release be distributed in or into such countries or any other country or jurisdiction in which distribution requires such measures or otherwise would be in conflict with applicable regulations. Any failure to comply with the restrictions described may result in a violation of applicable securities regulations.

The subscription rights, paid subscribed shares and shares in Mekonomen have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or the securities legislation of any state or other jurisdiction in the United States and no subscription rights, paid subscribed shares or shares may be offered, subscribed for, exercised, pledged, sold, resold, granted, delivered or otherwise transferred, directly or indirectly, in or into the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and in compliance with the securities legislation in the relevant state or any other jurisdiction of 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 US Securities and Exchange Commission, 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 announcement. Any representation to the contrary is a criminal offence in the United States.

This press release contains certain forward-looking information that reflects Mekonomen's present view of future events as well as financial and operational development. 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 information. Forward-looking information is inherently associated with both known and unknown risks and uncertainties as it depends on future events and circumstances. Forward-looking information is not a guarantee of future results or development and

actual outcomes may differ materially from the statements set forth in the forward-looking information.

Nordea Bank AB (publ) and Skandinaviska Enskilda Banken AB (publ) are financial advisors to Mekonomen AB (publ) and not to anyone else, in relation to the rights issue. Nordea and SEB are not responsible to anyone else but Mekonomen for advising in relation to the rights issue. Information in respect of the coming issue prospectus is rendered by Mekonomen.