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Press release 24 September 2018

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Mekonomen announces the terms of its rights issue

Mekonomen AB (publ) ("Mekonomen" or the "Company") announced on 24 August 2018 that the Board of Directors had resolved, subject to approval at the extraordinary general meeting on 26 September 2018, to launch a rights issue with preferential rights for existing shareholders. Mekonomen's Board of Directors today announces the terms of the rights issue through this press release.

The rights issue in brief:

- Shareholders in Mekonomen have preferential rights to subscribe for four (4) new shares per seven (7) existing shares, indicating a subscription ratio of 4:7.
- The subscription price is SEK 79 per share, which amounts to proceeds of SEK 1,621m before costs related to the rights issue.
- The record date for the rights issue is 1 October 2018 and the subscription period runs from 3 October 2018 to 18 October 2018, both dates inclusive.
- The shares are traded without the right to participate in the rights issue as from 27 September 2018. The final day for trading including the right to participate in the rights issue is 28 September 2018. Subscription rights will be traded on Nasdaq Stockholm from 3 October 2018 to 16 October 2018, both dates inclusive.
- Subscription commitments in the rights issue correspond to 42.9 per cent of the rights issue. The remaining portion of the rights issue is covered by an underwriting commitment from Nordea Bank AB (publ) ("Nordea") and Skandinaviska Enskilda Banken AB (publ) ("SEB") subject to customary conditions. In addition, shareholders representing in total 8.8 per cent of the total number of shares and votes in the Company have declared their intention to subscribe for their respective pro rata share in the rights issue.
- The rights issue is subject to approval at the extraordinary general meeting which will be held 26 September 2018. Shareholders representing in total 51.7 per cent of the shares and votes in Mekonomen have committed to, or expressed their intentions to, vote in favour of the rights issue at the extraordinary general meeting.

Background and reasons

On 6 July 2018 Mekonomen announced the acquisition of the automotive part distributors FTZ¹ in Denmark and Inter-Team² in Poland from HELLA³ for a purchase price of EUR 395m⁴ (SEK 4,189m⁵) on a cash-and debt-free basis.

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 bank financing from Nordea Bank AB, Skandinaviska Enskilda Banken AB and AB Svensk Exportkredit. Part of the bank financing, EUR 158m, is intended to be repaid through the rights issue.

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 rights issue prospectus that is intended to be made public on 28 September 2018.

Terms for the rights issue

Shareholders will receive four (4) subscription rights for each share held on the record date, 1 October 2018. Seven (7) subscription rights will carry an entitlement to subscribe for one (1) new share. The maximum increase in the share capital is SEK 51,287,837.50 and the maximum number of new shares that may be issued is 20,515,135. The subscription price is SEK 79 per share and the rights issue is expected to raise proceeds of SEK 1,621m before costs related to the rights issue.

Subscription for new shares without subscription rights may also be made. Allotment of new shares subscribed for without the exercise of subscription rights will be allotted firstly to those who have subscribed for new shares by the exercise of subscription rights, irrespective of whether or not they were shareholders on the record date or not, pro rata in relation to the number of subscription rights exercised for the subscription of shares, secondly be allotted to other parties who have applied for the subscription of new shares without the exercise of subscription rights, pro rata in relation to such declared interest, and thirdly to Nordea and SEB in proportion to their respective underwriting commitments.

The record date for determining which holders of shares who are entitled to receive subscription rights is 1 October 2018. The shares are traded including the right to participate in the rights issue up to and including 27 September 2018. Subscription will take place during the subscription period from 3 October 2018 until 18 October 2018 (both dates inclusive). Trading in subscription rights is expected to take place from 3 October 2018 until 16 October 2018 (both dates inclusive) on Nasdaq Stockholm. The

¹ FTZ Autodele & Værktøj A/S ("FTZ").

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

³ HELLA Holding International GmbH ("HELLA").

⁴ In addition to the purchase price of EUR 395m, a corresponding cash flows from the acquired entities attributable to the seller (Locked box) from 30 November 2017 to completion of the acquisition, has been paid to the seller.

⁵ Purchase price of EUR 395m equals SEK 4,189m with an exchange rate (EUR/SEK) of 10.6048.

subscription rights and paid subscribed shares (BTA) will also be traded on Nasdaq Stockholm.

Holders of shares who choose not to participate in the rights issue will have their participation in the Company's share capital diluted by approximately 36 per cent but are able to financially compensate for this dilution by selling their subscription rights.

The rights issue is subject to approval by the EGM to be held on 26 September 2018 starting at 3.30 pm at the Mekonomen's offices at Solnavägen 4, 10th floor, in Stockholm. The notice to the EGM is available on Mekonomen's website.

Subscription undertakings and underwriting commitments

The Company's main owner LKQ Netherlands BV, with 26.5 per cent of votes and capital of Mekonomen, has committed to vote in favour of the rights issue and to subscribe for its pro rata share in the rights issue. In addition, Didner & Gerge and the Fourth Swedish National Pension Fund, with 16,4 per cent of votes and capital of Mekonomen, has also 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 from Nordea and SEB subject to customary conditions.

In addition, shareholders representing in total 8.8 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

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
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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This information is such information that Mekonomen AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation.

The information was submitted for publication through Pehr Oscarson, at 11.15 p.m. on 24 September 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 northern Europe; FTZ, Inter-team, MECA, Mekonomen och Sørensen og Balchen, with proprietary wholesale operations, over 450 stores and 3,300 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.