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Rusta intends to list on Nasdaq Stockholm

Rusta AB (publ) ("Rusta" or the "Company"), a leading company on the Nordic variety hard discount market, announces its intention to list the Company's shares on Nasdaq Stockholm (the "Listing"). In connection with the Listing, a diversification of ownership is expected through an offering of existing shares (the "Offering").

Rusta has a long history of profitable growth since the founders Anders Forsgren and Bengt-Olov Forssell opened the first store in Gävle in 1986. Rusta is a leading company on the Nordic variety hard discount market, with 202 stores across Sweden, Norway, Finland and Germany as of 31 July 2023. Rusta generated net sales of SEK 10.2 billion during the latest financial year (2022/23), and approximately 79 per cent of individuals in Sweden aged 16–80 shopped at Rusta at least once in 2022.¹

Rusta's business model is among other things based on a wide and curated product assortment, a strong market and low-price position and a well-invested operational platform with an efficient and proven sourcing model. Through large purchase volumes and products developed in-house, Rusta aims to offer good quality everyday products covering many frequent needs and wants at low prices. Rusta considers itself to be well-positioned for continued growth on the resilient and structurally growing Nordic variety hard discount market.

Rusta's long-term vision is to become the leading and most trusted low-price retailer in Europe. Rusta's board of directors and majority shareholders, supported by the group management, have made the assessment that a listing of the Company's shares on Nasdaq Stockholm is a natural step in the Company's development and its journey towards this vision. A listing is also an important step in the process of further professionalising the Company, aimed at supporting the future development of the Company while ensuring that the benefits of a family-owned business with long-term engagement from the founding families is maintained. Furthermore, it is the opinion of the board of directors that the Listing will further increase the general awareness of the Company. This is expected to improve the Company's ability to attract and retain key employees, partners and customers as well as provide access to Swedish and international capital markets.

Göran Westerberg, CEO at Rusta, comments:

"A listing is a natural next step for Rusta. We have a long history of profitable growth and have built a leading position in a market that is resilient and structurally growing. With our efficient business model, well-invested platform and proven store concept, we are well-positioned to continue our expansion. A listing will give us further opportunities to continue developing the company towards achieving our vision. I look forward to continuing that journey going forward together with our shareholders and colleagues."

¹ Source: Analysis conducted by OMD Annalect based on data from ORVESTO Konsument 2022: HELÅR.



Anders Forsgren, founder, member of the board and majority owner of Rusta, comments:

"I am proud of the position that Rusta has built and that the business concept we had when we founded the company still holds true. From the idea of a retail concept where the Swedish people could shop everyday products at the best possible prices, to being a leader on the Nordic variety hard discount market. Göran Westerberg, our CEO, has together with his management team and other colleagues done an outstanding job over the past decade, paving the way for the company's current readiness to step into the public environment. I look forward to welcoming new shareholders who want to be part of our exciting journey. The Forsgren and Forssell families look forward to continuing to support the company as long-term owners and board members after the listing."

The Offering in brief

Should the Company choose to complete the Listing, the Offering is expected to comprise:

- an offering to the public in Sweden; and
- an offering to institutional investors in Sweden and in certain other jurisdictions in accordance with applicable rules and applicable exemptions.

The offering to institutional investors will only be made (i) to certain institutional investors outside the United States, pursuant to Regulation S under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"); and (ii) in the United States, only to those reasonably believed to be Qualified Institutional Buyers ("**QIBs**") in reliance on Rule 144A under the U.S. Securities Act.

Nasdaq Stockholm's listing committee has made the assessment that Rusta fulfils the listing requirements of Nasdaq Stockholm and will approve an application for admission to trading of the Company's shares, provided that certain customary conditions are fulfilled. Depending on market conditions, the Offering and Listing on Nasdaq Stockholm is expected to be completed during the second half of 2023.

The Offering is expected to consist of existing shares offered by the Forsgren and Forssell families (the "**Founders**") and other shareholders in the Company, consisting among others of current and previous members of group management. The Founders will retain a significant part of their respective shareholdings in Rusta and will remain as committed shareholders after the Offering. The Company funds its own growth and does not intend to raise any funds in connection with the Listing.

Full terms, conditions and instructions for the Offering will be included in the prospectus which is expected to be published by the Company in connection with the Listing and the Offering, and will, if published, be available on the Company's website investors.rusta.com.

About Rusta

Rusta was founded in Uppsala, Sweden, in 1986 by Anders Forsgren and Bengt-Olov Forssell based on an idea born in 1979 during Forsgren's and Forssell's research studies at Uppsala University. Forsgren and Forssell created a retail concept where customers could shop everyday products at the best possible prices. Anders and Bengt-Olov wanted to challenge the existing large retailers by combining the benefits of a wholesaler, importer and retailer into one concept, thereby being able to provide customers good quality products at low prices. During 1986, the first Rusta store was opened in Gävle, Sweden, and as of 31 July 2023, Rusta had 202 stores across Sweden, Norway, Finland and Germany.

Rusta has reported a financial development characterised by stable sales growth, healthy profitability and a strong financial position². In the financial year 2022/23, net sales exceeded SEK 10 billion for the first time and the Company has had a strong start to the new financial year 2023/24. In the first quarter of 2023/24 (1 May to 31 July 2023), Rusta's net sales amounted to approximately SEK 3 billion, representing an increase of 11.5 per cent compared to the same period in the previous financial year, and Rusta's LFL growth³ amounted to 6.5 per cent. In the first quarter of 2023/24, the EBITA margin was 10.1 per cent and EBITA increased by approximately 35 per cent, to approximately SEK 298 million, compared to the same period in the previous financial year.

Selected financial information

The table below shows selected key figures for Rusta for the financial year 2022/23, and for the first quarter of 2023/24.⁴

| SEK million (unless stated otherwise) | Financial year 2022/23 1 May 2022 – 30 April 2023 | First quarter 2023/24 1 May – 31 July 2023 |
|--|--|---|
| Net sales | 10,202.3 | 2,958.7 |
| Net sales growth | 7.5% | 11.5% |
| Gross profit | 4,186.5 | 1,264.6 |
| Gross margin | 41.0% | 42.7% |
| EBITA | 529.1 | 298.3 |
| EBITA margin | 5.2% | 10.1% |

Financial targets

Rusta's board of directors has adopted certain medium-term financial targets and a dividend policy, which are presented below⁵:

- **Net sales growth:** Rusta targets an annual average organic⁶ net sales growth around 8.0 per cent in the medium-term, with an annual average LFL growth above 3.0 per cent.

² Other than a revolving credit facility, lease liabilities under IFRS 16 and restructuring debt related to the acquisition of Hong Kong, the Company does not have any interest-bearing liabilities.

³ LFL growth is an unaudited alternative performance measure that is not defined under IFRS. More information about alternative performance measures, including definitions and the reason for why they are used, will be presented in the prospectus that is expected to be published by the Company in connection with the Listing and Offering.

⁴ More information about alternative performance measures, including definitions and the reason for why they are used, will be presented in the prospectus that is expected to be published by the Company in connection with the Listing and the Offering.

⁵ The Company's financial targets and dividend policy set forth below constitute forward-looking statements that are subject to considerable uncertainty. The financial targets and the dividend policy are based upon a number of assumptions relating to, among others, the development of Rusta's industry, business, profit and financial condition. Rusta's business, operating profit and financial condition, and the development of the industry and the macroeconomic environment in which Rusta operates, may differ materially from, and be more negative than, those assumed by Rusta when preparing the financial targets and dividend policy set out below. As a result, Rusta's ability to reach its financial targets and dividend policy is subject to uncertainties and contingencies, some of which are beyond Rusta's control, and no assurance can be given that Rusta will be able to reach these targets or that Rusta's financial condition or operating profit will not be materially different from the financial targets.

⁶ Excluding acquisitions.



- **Profitability:** Rusta targets an EBITA margin of around 8.0 per cent in the medium-term, with earnings per share to outgrow net sales and EBITA as a result of scalability in the business model.⁷
- **Dividend policy:** Rusta aims to distribute 30–50 per cent of net profit for each financial year as dividends, taking into account the Company’s financial position.

Advisors

Carnegie Investment Bank AB (publ) is Sole Global Coordinator and Joint Bookrunner. DNB Markets, a part of DNB Bank ASA, filial i Sverige and Skandinaviska Enskilda Banken AB (publ) are Joint Bookrunners. Gernandt & Danielsson Advokatbyrå KB is Rusta’s legal advisor and White & Case is legal advisor to the Sole Global Coordinator and Joint Bookrunners as to Swedish law and U.S. law, respectively.

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Important information

This announcement is not an offer to sell or a solicitation of any offer to buy any securities issued by the Company in any jurisdiction where such offer or sale would be unlawful.

Any offering of the securities referred to in this announcement will be made by means of a prospectus. This announcement is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (together with any related implementing and delegated regulations, the “**Prospectus Regulation**”). Investors should not invest in any securities referred to in this announcement except on the basis of information contained in the aforementioned prospectus.

In any EEA Member State other than Sweden, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

This document and the information contained herein are not for distribution in or into the United States of America. This document does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities in the United States. Any securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no

⁷ Scalability of the business model refers to margin increase as a result of organic sales growth and higher efficiency, which increases net sales more than costs.



intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, qualified investors (as defined in the Prospectus Regulation as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018) and who are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") or (ii) high net worth entities, and other persons to whom this announcement may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "Relevant Persons"). This communication must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Persons distributing this communication must satisfy themselves that it is lawful to do so.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect Rusta's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to Rusta's business, results of operations, financial position, liquidity, prospects, growth and strategies. Forward-looking statements speak only as of the date they are made.

Each of Rusta, the selling shareholders and each of Carnegie Investment Bank AB (publ), Skandinaviska Enskilda Banken AB (publ) and DNB Markets, a part of DNB Bank ASA, filial i Sverige (together the "**Managers**") and their respective affiliates as defined under Rule 501(b) of Regulation D of the Securities Act ("**affiliates**"), expressly disclaims any obligation or undertaking to update, review or revise any forward looking statements contained in this announcement whether as a result of new information, future developments or otherwise, and the distribution of this announcement shall not be deemed to be any form of commitment on the part of Rusta or any of the selling shareholders to proceed with the Offering or any transaction or arrangement referred to herein.

Any offering of the securities referred to in this announcement will be made by means of a prospectus (the "**Prospectus**"). This announcement is not a prospectus for the purposes of the Prospectus Regulation. The information in this announcement is subject to change. Before investing in any securities in the Offering, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the Prospectus if published. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. This announcement shall not form the basis of or constitute any offer or invitation to sell or issue, or any solicitation of any offer to purchase any securities nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor.



The timing of the Listing may be influenced by a variety of factors which include market conditions. Rusta may decide not to go ahead with the Offering and there is therefore no guarantee that the Listing will occur. You should not base your financial decision on this announcement. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested.

Persons considering making investments should consult an authorised person specialising in advising on such investments. This announcement does not form part of or constitute a recommendation concerning any offer. The value of securities can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of a possible offer for the person concerned.

None of the selling shareholders, the Managers or any of their respective affiliates or any of their or their affiliates' directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for/ or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to Rusta, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of the announcement or its contents or otherwise arising in connection therewith. Accordingly, each of the selling shareholders, the Managers, and any of their respective affiliates and any of their or their affiliates' directors, officers, employees, advisers or agents expressly disclaims, to the fullest extent possible, any and all liability whatsoever for any loss howsoever arising from, or in reliance upon, the whole or any part of the contents of this announcement, whether in tort, contract or otherwise which they might otherwise have in respect of this announcement or its contents or otherwise arising in connection therewith.

Each of the Managers is acting exclusively for Rusta and no one else in connection with the proposed Offering. They will not regard any other person as their respective clients in relation to the proposed Offering and will not be responsible to anyone other than Rusta for providing the protections afforded to their respective clients, nor for providing advice in relation to the proposed Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the Offering, the Managers and any of their respective affiliates, may take up a portion of the shares as a principal position and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such shares and other securities of Rusta or related investments in connection with the Offering or otherwise. Accordingly, references in the Prospectus, once published, to the shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by the Managers and any of their respective affiliates acting in such capacity. In addition, the Managers and any of their respective affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which they may from time to time acquire, hold or dispose of shares. None of the Managers nor any of their respective affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID 2**"); (b) Articles 9 and 10 of



Commission Delegated Directive (EU) 2017/593 supplementing MiFID 2; and (c) local implementing measures (together, the “**MiFID 2 Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the shares have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID 2; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID 2 (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares may decline and investors could lose all or part of their investment; the shares offer no guaranteed income and no capital protection; and an investment in the shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Managers will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID 2; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares. Each distributor is responsible for undertaking its own target market assessment in respect of the shares and determining appropriate distribution channels.