



June 1, 2018

Jays Group AB completes the earlier announced acquisition of Krusell group

General press release

Jays Group AB (publ) has the 1st of June 2018 completed the acquisition of Krusell United AB including all the Krusell subsidiaries. The acquisition is the first deal that Jays Group completes after the announcement of the new Jays' group-strategy in end of 2017. Jays Group will after the integration of the Krusell group of companies have an annual turn-over of more than 150MSEK proforma 2018 which means an annual growth of more than 400% (vs 22MSEK 2017).

Krusell group designs and produces bags and cases for portable electronics. Krusell offers accessories, bags, cases and protection products for mobile, smart phones, tablets and laptops with own brand names but also on OEM basis to larger global customers. The company has operations and sales offices in several countries in Europe and Asia, as well as long-term partnerships with major global industry leaders. Krusell has its own R&D and design in Gothenburg Sweden and in Bangkok Thailand, where also the own production facility is located. Krusell will be operated as an independent business within Jays Group with full access to the group's resources and represented in the Jays Group's management team and board. All the key-resources within Krusell will continue in the company group after the deal is completed.

"Since there is a growing usage of smartphones and portable electronics globally we are positive that that the demand and volumes for design and quality accessories, such as headphones, mobile cases and similar products, will continue to be strong. We will continue our newly initiated growth journey and we are actively evaluating new potential acquisitions to add value to our existing brands and product portfolios. We have a strong commitment to continuously increase the awareness and interest in Jays Group as well as our various brands and products" says Jays Group's CEO Henrik Andersson.

"We are very excited to start the work together with Jays Group's management team and board to create the future success of the new company group. Krusell's experience, the complete product portfolio for all available smart phones in the market and our legacy within crafted leather products provides a continuous strong growth potential", says Ulf Sandberg CEO of Krusell.

Jays Group's future success will be based on both organic and acquisition driven growth. The objective of the new Jays' group-strategy is to create long-term shareholder value and the target acquisitions will primary take place within the audio-, mobile-, electronics- and design areas with the focus to build a strong business based on technology, innovative design, strong brands, strong product portfolios and smart connectivity. The target acquisitions of Jays Group should also create new opportunities in new markets and market channels. Based on the foundation of Jays Headphones and the Krusell acquisition, the Jays Group's management team and board of directors will continue the execution of the new group-strategy to create a company group with several independent strong brands and product portfolios.

"Krusell is the first acquisition as per the new group-strategy presented in end of 2017. After the integration and consolidation of Krusell the total proforma turn-over of Jays Group will become over 150MSEK in 2018, which out-performs and exceeds the earlier communicated growth objectives of 2018. We will continue to work hard to execute the new strategy plan of the Jays Group", comments Anders Bruzelius the new Chairman of the Board of Jays Group.

Jays Group's long-term financial objectives is to have annual growth in net sales of 20 percent with a profit of minimum 10 percent EBITDA margin and an equity ratio (solidity) over 30 percent. The company does not publish forecasts and will not present updated detailed forecasts to the market. The business will merely be focusing on meeting the long-term financial targets as per its 3 years group-strategy presented in November 2017. The Jays Group has a strategy plan to make several acquisitions coming years with the objective to diversify and create a strong company group with a focus on long-term profitable growth.

Jays Group has at closing settled the initial purchase price of 45.3MSEK consisting of 12MSEK cash, 4MSEK as a promissory note from the sellers and 29.3MSEK as a share issue to the sellers. The share price has been set to 2.2473 SEK per share and the sellers will have a lock-up during 3 years. Jays has financed the cash part of the acquisition through an external credit facility. Krusell group will be consolidated into Jays Group from 1st of June 2018.

Advisor

Advokatfirman Vinge KB has acted as legal counsel to Jays Group for its acquisition of Krusell group.

For further information, please contact:

Henrik Andersson, CEO

Mobile: +46 761 99 35 55

Email: henrik@jaysheadphones.com