

MQ Holding AB

Press release 17 March 2016

MQ acquires retail-clothing company JOY

MQ Holding AB is acquiring the retail-clothing company Joy Shop AB from Aktiebolaget Segulah, thereby strengthening its position in the Nordic fashion market. Through the acquisition, MQ gains 54 stores in Sweden and an online shopping channel. The purchase price, paid in cash, amounts to SEK 38.5 million. The scheduled closing date is 1 May 2016. The acquisition is expected to have a neutral impact on earnings for MQ's current 2015/2016 financial year.

Retail-clothing company JOY was founded in 1971 and today runs 54 wholly owned stores in Sweden as well as online shopping. The company reported sales of SEK 258 million and an operating loss of SEK 9 million for the 2015 financial year. JOY has 350 employees and its head office is in Gothenburg. It targets women in the 50+ age group.

“With JOY as part of our Group, we will reach an attractive customer group that has strong buying power and a keen interest in fashion. Women in the 50+ age group account for more than half of the Swedish womenswear market and are today the market's fastest growing customer group. Subsequently, we see potential for growth in this segment and have a clear strategy for developing the company. At the same time, we see interesting synergies in many areas,” says Christina Ståhl, CEO of MQ.

JOY will be run as a separate retail brand within the MQ Group. JOY and MQ complement each other with two clearly defined target groups. MQ's target group includes men and women with the mindset of a 30-to-40 year-old, while JOY targets women in the 50+ age group.

“JOY gains more fashion expertise and retail know-how with MQ as its new owner. This puts JOY in a stronger position for the future and enables us to learn from MQ's previous development journey. We look forward to working together with MQ to continue to develop our customer offering and further build our well-established brand,” says Charlotte Nordén, CEO of JOY.

The transaction is conditional on the Swedish Competition Authority's approval and obtaining the consent of counterparties in certain material agreements to the ownership change. The transaction is expected to be completed on 1 May 2016. The purchase price of SEK 38.5 million will be paid in cash and MQ will extend its overdraft facilities in connection with the acquisition.

MQ publishes this information in accordance with the Securities Market Act (2007:258). The information was submitted for publication on 17 March 2016 at 7:10 a.m. (CET).

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MQ is Sweden's largest retailer of fashion brands. Through a select mix of proprietary and external brands, MQ offers men's and women's clothes with a high fashion content in attractive stores. The store chain currently comprises 121 stores and the aim is to establish MQ as the leading retailer of fashion brands in the Nordic region. The MQ share is listed on Nasdaq Stockholm since 18 June 2010. For more information, please visit our website at www.mq.se.