

Press release
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Telecare Service consolidates the Nordic market for mobile phone repairs

Telecare Service merges with the two largest competitors in Norway and Finland, and hereby establishes the largest mobile phone and tablet repair services provider in the Nordics. The merger more than triples Telecare's revenue which is expected to amount to approximately DKK 675m in 2014. Telecare's majority shareholder, the private equity fund CataCap, is behind the consolidation, which is financed through the issue of SEK 350m in corporate bonds, along with capital from existing owners. In addition, the global investor Adveq, headquartered in Zurich, will become a co-owner.

Telecare Service has, since 2010, built a leading position in the Danish market for repair and service of mobile phones. In 2012 the company successfully entered the Swedish market in which it has achieved a leading position today. In June 2013 the private equity fund CataCap became majority owner of the company with the ambition to catalyse additional growth in Sweden and the remaining Nordics.

Parallel to strong organic growth in 2013, which has continued in the current year, a dialogue was initiated with Deltaservice in Norway and Optima in Finland, regarding the opportunity to combine the three companies with the aim of servicing international customers, such as Samsung, Apple, Telia, "3", TDC and Elgiganten across the Nordic countries. During the past week, these efforts led to the signing of a share and purchase agreement of both Deltaservice and Optima. Both deals are expected to be finalized by end May 2014.

Deltaservice is the largest Nordic provider of mobile phone repairs and is the market leader in both Norway, and Sweden, with service centres located in Kongsberg (NO), Drammen (NO), Malmø (SE), and Kalmar (SE). Optima is the market leader in Finland, with a centralized service centre in Helsinki (FI). Combined with Telecare's service centres in Esbjerg (DK), and Ljungby (SE) the collective group will cover the entire Nordic Region, with approximately 450 employees and expected revenues in 2014 of DKK 675m. CataCap will remain the majority shareholder, with an ownership stake of plus 70%.

According to Telecare's chairman of the board, Mads Middelboe, the merger of the three serves as a landmark within the industry: "Not many years ago, the telecom companies provided repair of mobile phones in-house, or repairs were done at dozens of small local repair shops. Now, with the combination of Telecare, Deltaservice, and Optima, an independent Nordic service partner has been established matching the consolidation among telecom companies, while delivering an efficient and consistent service at a Nordic level. Several of our largest

customers operate across the Nordics and demand a partner with the capacity and market presence to invest in specialized service centres and new service concepts.”

The merger of the three companies is expected to generate substantial synergies that will improve the group’s future competitive position within, for instance productivity, mobile device management and IT support of logistics and end consumer communications.

Upon completion of the transactions the post merger integration efforts will commence. “In the short term, however, it will be “business as usual” with a clear focus on deliver a continuously high service level within the existing set-up” says, Mads Middelboe.

CataCap Partner, and Telecare Vice-Chairman, Vilhelm Hahn-Petersen, views the merger as a big step towards realising CataCap’s ambition for the investment in Telecare: “Our aim is to contribute to step-change development in the companies we invest in. In the case of Telecare, the strategy is to turn a Danish market leader into a Nordic market leader and that strategic ambition is now fully realised with the merger of Telecare, Deltaservice, and Optima. At the same time we have established a service partner with the strength to stay in tune with the rapid development of the telecom industry while following our customers into new markets and into new business areas.”

Besides a capital injection from existing shareholders, the global private equity investor Adveq, headquartered in Zurich, co-invests in Telecare and becomes a minority shareholder.

The merger is financed through the issue of SEK 350m in corporate bonds, which are to be listed on the Nasdaq OMX exchange in Stockholm within the next twelve months. The bond issue is ground breaking in Denmark as a means of financing M&A transactions within the SME segment.

Implement, PwC, Accura (DK), Schjødt (NO), Roschier (FI) and ABG Sundal Collier has advised Telecare Service Holding in connection with the acquisition of Deltaservice and Optima. ABG Sundal Collier has advised on the bond issue.

For additional information, please contact:

Telecare Service

Mads Middelboe, Chairman
+45 29 29 30 00
mads.middelboe@telecareservice.dk

CataCap

Vilhelm Hahn-Petersen, Partner
+45 71 99 19 01
vhp@catacap.dk

About Telecare Service

Founded in 2003, Telecare's sales have grown rapidly from DKK 38m in 2010 to DKK 176m in 2013 and the company today holds a leading position in Denmark and Sweden catering to key operators including TDC, Telia and 3. In 2013 the Danish private equity fund CataCap acquired a majority shareholding of the company with the aim of further expansion in the Nordic market for mobile device repair services.

The company employs approx. 200 people across the HQ in Søborg (DK) and the two service centres in Esbjerg (DK) and Ljungby (SE). The annual repair volume is approx. 550,000 units.

www.telecareservice.dk

About Deltaservice

Founded in 2002, Deltaservice has shown steady growth throughout the years and is today the leading provider of repair services of mobile devices in Norway and the second largest provider of repair services in Sweden catering to both operators and leading retailers such as Netcom, Tele 2 and Elkjøp/Elgiganten. Deltaservice's proprietary IT platform, which ensures a high degree of transparency as well as efficient logistics planning, has been instrumental to the company's success.

The company employs approx. 170 people across its sites in Kongsberg (NO), Drammen (NO), Malmø (SE), and Kalmar (SE). The annual repair volume is approx. 450,000 units.

www.deltaservice.no

About Optima Service

Founded in 2001, Optima is the leading provider of repair services in Finland servicing two of the largest telecom operators, DNA and Elisa as well as key retailers in the Finnish market including El-giganten. In addition to the core product offering, the company delivers related services, such as the newly developed concept "Optima Mobile Solutions", which is a one-stop mobile device management solution for SME's as well as larger companies.

The company employs approx. 75 employees at its HQ and repair site in Helsinki (FI). The annual repair volume is approx. 225,000 units.

www.optimaservice.fi

About CataCap

CataCap invests in Danish SMEs that hold a significant development potential and have an innovative business model with long-term sustainability.

CataCap's business concept is to act as a catalyst for sustainable step changes through a systematic and consistent approach to strengthening business development, operational processes and leadership development in active interaction with management and employees of the portfolio companies.

CataCap operates through an extended organisation in which CataCap's own employees are supplemented by Operating Partners, Development Partners and Executive Advisors. The teams for each investment are recruited from this group.

CataCap is a proactive and dedicated owner. The systematic hands-on approach to developing CataCap's businesses is intended to increase both the speed and sustainability of business step changes, thereby creating long-term value for all stakeholders as well as stable excess returns for investors.

www.catacap.dk