

# Press release

27 January 2021

## STATEMENT FROM THE BOARD OF HANDICARE GROUP AB IN RELATION TO THE PUBLIC CASH OFFER BY SAVARIA (SWEDEN) AB

### Conclusion

The Board of Handicare unanimously recommends the shareholders of Handicare to accept the offer by Savaria.

*“Based on an assessment of Handicare’s present position, the expected future development of the company as well as related opportunities and risks, the Board of Directors considers that the immediate rewards of the offer reflect Handicare’s long-term future prospects. Therefore, the Board has decided to unanimously recommend the offer. In addition, the Board also recognizes that the major owner Nordic Capital Fund VII, being a long-term shareholder in Handicare with significant industry expertise, supports the Offer and intends to enter into an undertaking to accept the Offer once Handicare has announced its year-end report 2020 on 4 February 2021,”* says Claes Magnus Åkesson, Chairman of the independent Board.

### Background

This statement (the "**Statement**") is made by the Board of Handicare Group AB ("**Handicare**" or the "**Company**") pursuant to Section II.19 of Nasdaq Stockholm's Takeover Rules (the "**Takeover Rules**"). Savaria (Sweden) AB ("**Savaria**"), a wholly owned subsidiary of Savaria Corporation, has today announced a public cash offer to Handicare's shareholders to transfer their shares in Handicare to Savaria (the "**Offer**"). Savaria is offering SEK 50 per Handicare share (the "**Bid Price**"). Savaria has communicated that the Bid Price is final and will not be increased.

The Bid Price represents a premium of approximately:

- 22.0 per cent compared to the closing price of SEK 41.00 for Handicare’s share on Nasdaq Stockholm on 27 January 2021, being the last day of trading before the announcement of the Offer;
- 24.1 per cent compared to the volume-weighted average trading price of SEK 40.29 for Handicare’s share on Nasdaq Stockholm during the last 30 trading days before the announcement of the Offer;

and

- 33.8 per cent compared to the volume-weighted average trading price of SEK 37.36 for Handicare's share on Nasdaq Stockholm during the last 180 trading days before the announcement of the Offer.

The acceptance period of the Offer is expected to commence on or around 11 February 2021 and expire on or around 4 March 2021, subject to any extensions.

The completion of the Offer is conditional on, among other things, that shareholders of Handicare accept the Offer to such an extent that Savaria becomes the owner of more than 90 per cent of the total number of shares in Handicare.

Cidron Liberty Systems S.à r.l.<sup>1</sup>, whose shareholding in Handicare represents 62.9 per cent of the total number of shares in Handicare, informed Savaria that it supports the Offer, that it intends to accept the Offer and enter into an undertaking to that effect once Handicare has announced its year-end report 2020 on 4 February 2021, considering currently applicable restrictions under the EU Market Abuse Regulations. Furthermore, Nordic Capital Fund VII has undertaken towards Savaria not to sell its shares in Handicare without Savaria's prior written approval. The undertaking to not sell its shares applies until 31 May 2021 and will terminate upon the entering into of an undertaking to accept the Offer.

Savaria has, on the basis of a written request, been permitted to carry out a confirmatory due diligence review of Handicare in connection with the preparation of the Offer. In connection with such due diligence review, Savaria has received certain preliminary financial information concerning Handicare's fourth quarter of 2020 and an outlook for 2021. This information is announced by Handicare today in a separate press release.

Three members of Handicare's Board (the chairman Lars Marcher, Joakim Andreasson and Johan Ek) are not independent in relation to Nordic Capital Fund VII. Considering the contractual arrangements between Savaria and Nordic Capital Fund VII, these directors have not participated, and will not participate, in Handicare's handling and evaluation of the Offer.

Handicare has retained Rothschild & Co as financial adviser and Mannheimer Swartling as legal adviser in relation to the Offer.

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<sup>1</sup> Cidron Liberty Systems S.à r.l. is an entity ultimately controlled by Nordic Capital VII Limited, acting in its capacity as general partner to Nordic Capital VII Alpha, L.P. and Nordic Capital VII Beta, L.P. together with associated investment vehicles ("**Nordic Capital Fund VII**").

PWC Sverige has, at the request of the Board, provided an opinion according to which the Offer is fair to the shareholders of Handicare from a financial point of view (subject to the assumptions and considerations set out in the opinion) (the “**Opinion**”). The Opinion is attached to this statement.

### **The Board’s evaluation of the Offer**

The Board’s opinion of the Offer is based on an assessment of a number of factors that the Board has considered relevant in relation to its assessment of the Offer. These factors include, but are not limited to, Handicare’s present position, the expected future development of the Company and related opportunities and risks.

Handicare operates in a growing market with attractive underlying long-term growth fundamentals. The company holds a leading position in Europe within the Accessibility area and has a strong growth trajectory in North America. Performance within the Accessibility business unit has been solid with an organic CAGR of approximately 7 per cent over the last five years, and the Group’s financial position is strong.

Handicare has been on a transformational journey since the announcement of its strategic review in connection with the announcement of the third quarter report 2019. The strategic review, the purpose of which was to uncover underlying value, was successfully concluded by the divestment of Patient Handling Europe, which was completed in May 2020.

In conjunction with the release of the first quarter report on 23 April 2020, Handicare announced its launch of the Lift Up Program – an ambitious three-phased plan with the target of lifting the company to higher performance. The Board believes that, following the implementation of the Lift Up Program, the Company is well-positioned for the future, with a clear focus on strengthening and growing the position of the Accessibility business unit, which currently accounts for more than 90 per cent of Adjusted Group EBITA.

Against this backdrop, the Board has carefully considered whether the immediate rewards of the Offer reflect Handicare’s long-term future prospects as a result of a successful execution of the Company’s strategy.

In this context, the Board has considered not only the opportunities of improved future prospects, but also the risks associated with executing against these opportunities. These include, but are not limited to, risks relating to decreased demand as a result of political uncertainty, weak macroeconomic conditions and/or political

decisions, risks relating to unsuccessful product development and risks relating inability to satisfy requirements for medical devices, including evaluation, quality control and documentary requirements.

In arriving at its recommendation, the Board has analysed the Offer using the methods normally used for evaluating public offers for listed companies, including Handicare's valuation in relation to comparable listed companies and comparable transactions, premiums in previous public offers, the stock market's expectations in respect of Handicare and the Board's view on Handicare's long-term value based on expected future cash flows. Furthermore, the Board recognizes that Nordic Capital Fund VII, being a long-term shareholder in Handicare with significant industry expertise, supports the Offer and intends to enter into an undertaking to accept the Offer once Handicare has announced its year-end report 2020 on 4 February 2021.

The Board has further considered the Opinion according to which the Offer is fair to shareholders of Handicare from a financial point of view (subject to the assumptions and considerations set out in the Opinion).

Under the Takeover Rules, the Board is required, on the basis of Savaria's statements in the announcement of the Offer, to make public its opinion on the effects the implementation of the Offer may have on Handicare, specifically employment, and its views on Savaria's strategic plans for Handicare and the effect these may be expected to have on employment and the places where Handicare conducts its business. Savaria has in this respect stated:

*“/.../ Savaria's intention is to realize integration benefits of the combination. The integration of Handicare and Savaria will therefore likely entail some changes to the organization, operation and employees of the combined group. The specific initiatives to be implemented will be determined following completion of the Offer pursuant to a detailed review of the combined businesses. Before completion of such review, it is too early to say which specific initiatives will be taken and the impact that these would have. There are currently no decisions on any changes to Savaria's or Handicare's employees, management or existing organization and operations of Handicare, including terms of employment and location of business.”*

The Board assumes that this description is accurate and has in relevant aspects no reason to take a different view.

**Based on the above, the Board unanimously recommends the shareholders of Handicare to accept the Offer.**

The Statement shall in all respects be governed by and construed in accordance with substantive Swedish law. Disputes arising from the Statement shall be settled exclusively by Swedish courts.

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Stockholm, 27 January 2021

Handicare Group AB (publ)

*The Board of Directors*

**For further information, please contact:**

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*This is information that Handicare Group AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 22.45 CET on 27 January 2021.*

**About Handicare**

Handicare offers solutions to increase the independence of disabled or elderly people, and to facilitate for their care providers and family. The offering encompasses a comprehensive range of curved and straight stairlifts, transfer, lifting and repositioning aids and vehicle adaptations. Handicare is a global company with sales in some 40 countries and is one of the market leaders in this field. The head office is in Stockholm, Sweden and manufacturing and assembly is located at four sites distributed across North America, Asia and Europe. In the twelve-month period to September 2020, revenue amounted to MEUR 208 and the adjusted EBITA margin was 6.3%. Employees amounted to approximately 900 and the share is listed on Nasdaq Stockholm. For more information, [www.handicaregroup.com](http://www.handicaregroup.com).