



Press release

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## **Beijer Ref resolves on a fully underwritten rights issue of SEK 13,946 million**

**The Board of Directors of Beijer Ref AB (publ) ("Beijer Ref") has, based on the authorisation of the Extraordinary General Meeting on 17 February 2023, resolved on a new share issue of shares of series B amounting to SEK 13,946 million, with preferential rights for Beijer Ref's shareholders. The main purpose of the rights issue is to repay the bridge facility provided for the acquisition of Heritage Distribution Holdings ("Heritage Distribution"), which was announced by Beijer Ref on 15 December 2022.**

### **The rights issue in brief<sup>1</sup>**

- The rights issue comprises 126,781,856 new shares of series B.
- Shareholders in Beijer Ref have preferential rights to subscribe for one (1) new share of series B per three (3) existing shares (regardless of share series), i.e. an issue ratio of 1:3.
- The subscription price has been set at SEK 110 per new share of series B, resulting in total proceeds of approximately SEK 13,946 million, before issue costs.
- The shareholders EQT Group, AMF and First National Swedish Pension Fund, have undertaken to subscribe for their pro rata shares of the rights issue, corresponding to approximately 34 per cent of the shares in the rights issue.
- SEB Investment Management, The Fourth Swedish National Pension Fund, AMF Fonder (on behalf of certain funds), Handelsbanken Fonder, Lannebo Fonder and Odin Sweden, together holding shares representing approximately 20 per cent of the shares in the rights issue, have expressed their support for the transaction and declared their intention to subscribe in the rights issue.
- In addition to the subscription undertakings, Citi, Handelsbanken and Nordea have entered into an underwriting agreement to subscribe for the remaining approximately 66 per cent of the rights issue, subject to customary terms and conditions. AMF has, in addition to its subscription undertaking, entered into a sub-underwriting agreement with Citi, Handelsbanken and Nordea, according to which AMF, in relation to Citi, Handelsbanken and Nordea, has undertaken to acquire any shares subscribed for by Citi, Handelsbanken and Nordea under the underwriting agreement, up to an amount of SEK 1,500 million.

### **Background and reasons for the rights issue**

On 15 December 2022, Beijer Ref announced that the company had signed an agreement with Gryphon Investors to acquire Heritage Distribution for a purchase price of USD 1,275 million<sup>2</sup> (USD 1,175 million excluding net present values of tax benefits) on a cash and debt free basis (equivalent to approximately SEK 13,000 million<sup>3</sup>). The acquisition was completed on 20 January 2023, and after purchase price adjustments for cash and normalised working capital, the final purchase price amounted to approximately USD 1,304 million<sup>4</sup> (equivalent to approximately SEK 13,400 million<sup>5</sup>), which is subject to a potential final adjustment approximately 90 days following the closing date.

Heritage Distribution is a North American distribution company for Heating Ventilation Air Conditioning and Refrigeration ("HVAC-R") equipment, parts and supplies, and is a leading HVAC-R distributor in the

South/South East region of the U.S. The acquisition of Heritage Distribution marks Beijer Ref's entry into the strategically important and attractive North American market.

The acquisition of Heritage Distribution and associated costs is financed through a bridge facility provided by Handelsbanken and Nordea amounting to approximately SEK 13,600 million. The purpose of the rights issue is to use the proceeds from the rights issue to repay the bridge facility and to cover certain costs related thereto and to the rights issue.

### **Subscription and underwriting commitments<sup>6</sup>**

The rights issue is fully underwritten. The shareholders EQT Group, AMF and First National Swedish Pension Fund, have undertaken to subscribe for their pro rata shares of the rights issue, corresponding to approximately 34 per cent of the shares in the rights issue. SEB Investment Management, The Fourth Swedish National Pension Fund, AMF Fonder (on behalf of certain funds), Handelsbanken Fonder, Lannebo Fonder and Odin Sweden, together holding shares representing approximately 20 per cent of the shares in the rights issue, have expressed their support for the transaction and declared their intention to subscribe in the rights issue.

In addition to the subscription undertakings, Citi, Handelsbanken and Nordea have entered into an underwriting agreement to subscribe for the remaining approximately 66 per cent of the rights issue, subject to customary terms and conditions, including a right to terminate the agreement in the event of a material adverse financial or other change relating to the company's operations or other events affecting the conditions for the issuing of new shares or the conditions on the financial markets in general. AMF has, in addition to its subscription undertaking, entered into a sub-underwriting agreement with Citi, Handelsbanken and Nordea, according to which AMF, in relation to Citi, Handelsbanken and Nordea, has undertaken to acquire any shares subscribed for by Citi, Handelsbanken and Nordea under the underwriting agreement, up to an amount of SEK 1,500 million.

The aforementioned subscription undertakings and underwriting commitments are not secured through, for example, bank guarantees.

### **Terms and conditions of the rights issue**

Those who are registered by Euroclear Sweden AB as shareholders in Beijer Ref on the record date 28 February 2023 will receive one (1) subscription right for each share held in Beijer Ref (regardless of share series). Three (3) subscription rights entitles to subscription for one (1) new share of series B.

Assuming fully subscribed, the share capital will be increased by SEK 123,260,137.78 million, through the issuance of 126,781,856<sup>7</sup> new shares of series B. Existing shareholders who choose not to participate in the rights issue will have their holdings diluted by up to approximately 25.0 per cent (excluding treasury shares held by Beijer Ref) and voting rights diluted by up to approximately 16.7 per cent but have the possibility to compensate themselves financially for the dilution by selling their subscription rights.

The subscription price has been set at SEK 110 per new share of series B, corresponding to total issue proceeds of approximately SEK 13,946 million, before issue costs. The issue proceeds of approximately SEK 13,946 million will be used to finance the acquisition of Heritage Distribution through the repayment of the bridge facility of approximately SEK 13,600 million and to cover certain costs related thereto and to the rights issue.

The existing shares are eligible to receive subscription rights up until and including 24 February 2023 and the first day of trading in shares excluding the right to receive subscription rights is 27 February 2023. The subscription period will take place during the period from and including 2 March 2023 up to and including 16 March 2023. Beijer Ref's Board of Directors has the right to extend the subscription period which, when applicable, will be announced through a press release at the latest on 16 March 2023.

If not all of the shares of series B are subscribed for by exercise of subscription rights, the Board of Directors shall resolve on allotment of shares of series B subscribed for without the exercise of subscription rights up to the maximum amount of the share issue. In such case, priority will be given firstly to those who have applied for subscription and subscribed for shares by the exercise of subscription rights, irrespective of whether or not they were shareholders on the record date, pro rata in relation to the number of subscription rights exercised for the subscription of shares. Secondly, allotment shall be made to other parties who have notified the company of their interest in subscribing for shares without the exercise of subscription rights, pro rata in relation to such declared interest. Lastly, allotment

shall be made to those who have entered into an underwriting agreement with the company, in accordance with the terms and conditions of such agreement. To the extent allotment according to the above cannot be made pro rata, allotment shall be made by drawing of lots.

The complete terms and conditions for the rights issue and information about Beijer Ref will be presented in the prospectus regarding the rights issue, that is intended to be published on or about 28 February 2023 on the company's website (<http://www.beijerref.com/investerare/>).

#### **Indicative timetable for the rights issue**

24 February	Last day of trading in Beijer Ref's shares of series B including the right to receive subscription rights
27 February	First day of trading in Beijer Ref's shares of series B excluding the right to receive subscription rights
28 February	Estimated date for publication of the prospectus
28 February	Record date for the rights issue (shareholders who are registered in the share register on this date will receive subscription rights that entitle them to participate in the rights issue)
2-13 March	Trading in subscription rights on Nasdaq Stockholm
2-16 March	Subscription period
2-21 March	Trading in paid subscribed shares (BTA) on Nasdaq Stockholm
17 March	Announcement of the preliminary outcome of the rights issue
20 March	Announcement of the final outcome of the rights issue

#### **Advisors**

Citi, Handelsbanken and Nordea act as financial advisors and underwriters of the rights issue. Mannheimer Swartling acts as legal advisor to Beijer Ref in relation to the rights issue, Davis Polk & Wardwell acts as U.S. legal advisor to Beijer Ref in relation to the rights issue and White & Case acts as legal advisor to Citi, Handelsbanken and Nordea in relation to the rights issue.

1. Excluding treasury shares. As of 21 February 2023, Beijer Ref held 1,958,500 treasury shares of series B, which do not entitle to participation in the rights issue.
2. Refers to 100 per cent of the shares in Heritage Distribution. Beijer Ref has acquired approximately 95 per cent. Former and present management team of Heritage Distribution will continue to own the remaining approximately 5 per cent.
3. Based on an USD/SEK rate of 10.2074 as of 14 December 2022.
4. Refers to 100 per cent of the shares in Heritage Distribution, including estimated discounted purchase price for approximately 5 per cent of the shares currently held by the former and present management. The undiscounted value of the final purchase price is USD 1,324 million.
5. Based on an USD/SEK rate of 10.3017 as of 20 January 2023.
6. Excluding treasury shares. As of 21 February 2023, Beijer Ref held 1,958,500 treasury shares of series B, which do not entitle to participation in the rights issue.
7. Excluding treasury shares. As of 21 February 2023, Beijer Ref holds 1,958,500 treasury shares of series B, which do not entitle to participation in the rights issue, whereby the total number of new shares of series B amounts to not more than 126,781,856.

#### **For more information, please contact:**

Christopher Norbye  
CEO  
Telephone +46 40-35 89 00  
Email [cne@beijerref.com](mailto:cne@beijerref.com)

Ulf Berghult  
CFO  
Telephone +46 40-35 89 00  
Email [ubt@beijerref.com](mailto:ubt@beijerref.com)

Niklas Willstrand  
Global Corporate Communications Manager  
Telephone +46 40-35 89 00  
Email [nwd@beijerref.com](mailto:nwd@beijerref.com)

*BEIJER REF AB is a technology-oriented trading Group which, through added-value products, offers its customers competitive solutions within refrigeration and climate control. Beijer Ref is one of the largest refrigeration wholesalers in the world, and is represented in 43 countries in Europe, North America,*

## **IMPORTANT INFORMATION**

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In the United Kingdom, this press release is directed only at, and communicated only to, persons who are qualified investors within the meaning of article 2(e) of the Prospectus Regulation (2017/1129) of the European Parliament and of the Council of 14 June 2017 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 who are (i) persons who fall within the definition of "investment professional" in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), or (ii) persons who fall within article 49(2) (a) to (d) of the Order, or (iii) persons to whom it may otherwise be lawfully communicated (all such persons referred to in (i), (ii) and (iii) above together being referred to as "Relevant Persons"). This press release must not be acted on or relied on by persons in the UK who are not Relevant Persons.

Citi, Handelsbanken and Nordea are acting for Beijer Ref in connection with the transaction and no one else and will not be responsible to anyone other than Beijer Ref for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

This press release and the information herein is not for publication, release or distribution, in whole or in part, directly or indirectly, in or into the United States, Australia, Hong Kong, Japan, Canada, New Zealand, South Africa, Switzerland, Singapore or any other state or jurisdiction in which publication, release or distribution would be unlawful or where such action would require additional prospectuses, filings or other measures in addition to those required under Swedish law.

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This press release contains forward-looking statements that reflect Beijer Ref AB (publ)'s current view of future events as well as financial and operational development. Words such as "intend", "assess", "expect", "may", "plan", "estimate" and other expressions involving indications or predictions regarding future development or trends, not based on historical facts, identify forward-looking statements and reflect Beijer Ref AB (publ)'s beliefs and expectations and involve a number of risks, uncertainties and assumptions which could cause actual events and performance to differ materially from any expected future events or performance expressed or implied by the forward-looking statement. The information contained in this press release is subject to change without notice and, except as required by applicable law, Beijer Ref AB (publ) does not assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained in it and nor does it intend to. You should not place undue reliance on forward-looking statements, which speak only as of the date of this press release. As a result of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements as a prediction of actual future events or otherwise.

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than in Sweden.

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This disclosure contains information that Beijer Ref AB is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 21-02-2023 23:37 CET.