

Press release Stockholm, 6 November 2020

Gränges completes the acquisition of Aluminium Konin and finalizes the issue in kind

Gränges has completed the previously announced acquisition of the Polish flat rolled aluminium producer Aluminium Konin today, 6 November 2020.

The acquisition of Aluminium Konin, communicated on 28 November 2019, will strengthen Gränges' product offering and presence in Europe and contribute with strong positions in new attractive niche markets. The acquisition adds new capabilities and capacity to, among other things, expand Gränges' offering for future transportation solutions, such as electric vehicles. The acquisition is a good strategic fit for Gränges and enhances the company's platform for sustainable profitable growth. On 23 September 2020, the acquisition was approved by the EU Commission and on 7 October 2020 Gränges and Boryszew S.A., the seller of Aluminium Konin, signed an agreement on a new structure for the payment of the purchase price.

Summary of the transaction

- Gränges acquires Aluminium Konin for SEK 2.2 billion, or PLN 938 million, on a cash and debt free basis (Enterprise Value), corresponding to an EV/EBITDA multiple of 6.9x LTM (Last Twelve Months) June 2020 EBITDA.
- A part of the purchase price consists of an issue in kind of shares in Gränges AB (publ) to the seller, Boryszew S.A.. The non-cash issue amounts to SEK 203 million, distributed on 2,442,268 new issued shares in Gränges.
- Gränges pays approximately SEK 400 million for the part of an ongoing expansion program, that has been completed up until closing of the transaction.
- The acquired business will be a wholly owned subsidiary of Gränges AB and a part of Gränges' operations in Europe.

"The acquisition is a good strategic fit for Gränges and complements our business and geographic presence. Together we are creating a strong platform for product mix optimization and sustainable profitable growth. Aluminium Konin contributes with technically advanced operations, strategically located in Central Europe, and strengthens Gränges' product offering for new niche markets and enables a broader offering of solutions for future vehicles. The acquisition will sharpen our competitive strength and create a stronger position in growing markets to further drive the development of sustainable customer offerings," says Gränges' CEO Johan Menckel.

The acquired business

Aluminium Konin offers a broad range of flat rolled aluminium products with good profitability. The company has a solid financial track-record and operates a highly developed and cost competitive integrated rolling mill located in Konin, Poland, with an annual production capacity of approximately 100 ktonnes.

Aluminium Konin's product portfolio includes material for automotive heat exchangers and structures, speciality packaging, electronics, as well as general aluminium coil and sheet products for customers in Europe. The location in Konin, Poland, with geographical proximity to key

customers, provides good opportunities to further expand closed loop recycling systems, an area of increased importance for the aluminium industry.

Aluminium Konin has a strong financial track-record. For June 2020, rolling twelve months, the company's sales volume amounted to 93 ktonnes, net sales to SEK 2,486 million and adjusted EBITDA to SEK 317 million. The company has about 725 employees.

Gränges will complete an expansion program initiated by the seller, of SEK 1.1 billion over three years, to further strengthen Aluminium Konin's capabilities and increase the annual capacity to 140 ktonnes. Gränges pays approximately SEK 400 million for the part of the program that has been completed up until closing of the transaction. The remaining part of the program will be financed by future cash flows and existing credit facilities.

The issue in kind

A part of the purchase price for the acquisition of Aluminium Konin consist of 2,442,268 issued shares in Gränges, corresponding to SEK 203 million. The Board of Directors has today decided on a share issue of the corresponding number of shares to be subscribed for by Boryszew S.A. The share issue is a non-cash contribution with deviation from the shareholders' preemption rights based on the authorization from the Annual General Meeting held 25 June, 2020. The number of shares payable to Boryszew S.A. are based on a share price of SEK 83.19 per share, which corresponds to the volume-weighted average share price during the 10 last trading days prior to the finalization of the agreement. The share issue will result in an increase in the number of shares in Gränges of 2,442,268 shares, from 75,517,386 to 77,959,654. The share capital will increase by SEK 3,272,090, from 101,176,323 SEK to 104,448,412 SEK. The share issue implies a dilution of 3.13 per cent based on the total number of shares in Gränges after the completion of the share issue.

Currency conversion has been done using the rate of PLN/SEK 2.35.

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About Gränges

Gränges is a leading global supplier of rolled aluminium products for heat exchanger applications, specialty packaging and niche markets. In materials for brazed heat exchangers Gränges is the global leader with a market share of approximately 20 per cent. The company develops, produces and markets advanced materials that enhance efficiency in the customer manufacturing process and the performance of the final products. The company's geographical markets are Asia, Europe and the Americas with production facilities in all three regions and a combined annual capacity of 560,000 metric tonnes. Gränges has 2,500 employees and net sales of SEK 12 billion. The share is listed on Nasdaq Stockholm. More information on Gränges is available at www.granges.com.

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