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Beijer Electronics Group announces the terms of its rights issue

Beijer Electronics Group AB (publ) ("Beijer Electronics Group" or the "Group") announced on July 14, 2017 that the Board of Directors had resolved, subject to approval at the extraordinary general meeting on September 1, 2017, to launch a rights issue of approximately SEK 225 million with preferential rights for existing shareholders. Beijer Electronics Group's Board of Directors today announces the terms of the rights issue through this press release.

The rights issue in brief:

- Shareholders in Beijer Electronics Group have preferential rights to subscribe for one (1) new share per two (2) existing shares, indicating a subscription ratio of 1:2.
- The subscription price is SEK 23.60 per share, which amounts to proceeds of approximately SEK 225 million before costs related to the rights issue, assuming the rights issue is fully subscribed.
- The record date for the rights issue is September 5, 2017 and the subscription period runs from September 7, 2017 to September 22, 2017, both dates inclusive.
- The shares are traded without the right to participate in the rights issue as from September 1, 2017. The final day for trading including the right to participate in the rights issue is September 4, 2017. Subscription rights will be traded on Nasdaq Stockholm from September 7, 2017 to September 20, 2017, both dates inclusive.
- The rights issue is subject to approval at the extraordinary general meeting which will be held September 1, 2017.
- Beijer Electronics Group's largest shareholders Stena Sessan Investment AB, SEB Fonder, Nordea Fonder, Svolder and Fjärde AP-Fonden have expressed their support for the rights issue and submitted subscription commitments and intentions to subscribe for the shares, for which they have the right to subscribe with subscription rights, representing approximately 69.7 per cent of the rights issue in total.
- Stena Sessan Investment AB and Svolder have respectively submitted guarantee undertakings for the share of the rights issue that is not covered by the subscription commitments. The rights issue is thereby fully covered.
- Stena Sessan Investment AB, by fulfilling its obligations, may obtain capital and voting rights in Beijer Electronics Group of approximately 44.3 per cent.

- Stena Sessan Investment AB has received exemption from the mandatory bid obligation from the Swedish Securities Council. Shares held and represented by Stena Sessan Investment AB at the Extraordinary General Meeting shall be disregarded from the counting of votes regarding voting of approval of the preferential rights issue.

Background and rationale

Beijer Electronics Group is an innovative technology company within industrial automation and data communication. During the past two years, the Group has undergone a strategic transformation, creating a foundation for a solid and profitable long-term growth. The Group's Board of Directors and Management Team believes that further strengthening the balance sheet would enable the Group to accelerate the execution of its strategic plans. The Group would thereby be more confident in its ability to capture opportunities stemming from current market trends within the so called Fourth Industrial Revolution, including Internet of Things. The Group will also benefit from its global platform that the Group has established during the last decade to a greater extent.

The Management Team of Beijer Electronics Groups has, as part of the ongoing strategic planning, identified a number of potential acquisition targets, including small and medium-sized companies, which would enhance the Group's competitiveness in attractive segments and thereby enable a higher growth rate. As a result of the strengthened balance sheet, the Group would, to an even greater extent, be able to focus on acquisitions over the coming years.

The Group has, during the second half of 2015 and 2016, implemented a number of initiatives with the goal of gradually transforming the business to become more customer-oriented and to lower the cost base. In addition, a number of key recruitments have been made to ensure the three business entities' ability to execute on the business strategies defined by the Group's Board of Directors and the Management Team.

For the business entity Beijer Electronics, it is worth highlighting the strategy and action programme the Group initiated in order to optimise the cost structure, the offering and the organisation as to adapt to the changed market conditions and the termination of the contract with Mitsubishi Electric in the end of 2015. The terminated contract with Mitsubishi Electric resulted in a decrease of net sales of approximately SEK 170 million in 2016 compared to 2015. The overall goal of the Board of Directors has been to create a more customer-oriented and flexible organisation, fully focused on own products, which has resulted in own products currently constituting approximately 90 per cent of net sales. The intention is also, in a long term perspective, to increase the share of sales from software, to focus on certain selected segments for robust terminals as well as to focus resources on fewer markets and target larger customers.

In the other business entities - Westermo och Korenix - the Group has made large investments in product development, changing internal processes as well as adapting the organisation to ensure a competitive offering and thereby enable future growth. Within the business entity Westermo, the Group initiated an investment program of approximately SEK 175 million in 2014. The investment program strengthens Westermo's offering within Mission Critical Edge Networks and Westermo IP Train, consequently enhancing the business entity's competitiveness within attractive growth segments such as the train segment, a segment with especially high customer requirements. In addition, the business entity's sales organisation has been expanded to ensure that the new offering reaches the customers.

The strategic transformation, in combination with continuous and intensive product development, have led the Board of Directors and the Management Team of Beijer Electronics Group to believe that the current level of net debt restricts the Group's scope of action. Therefore the Board of Directors of Beijer Electronics Group has resolved on a preferential rights issue of approximately SEK 225 million on July 14, 2017. The rights issue will strengthen the Group's financial position

through a reduction of net debt. The reduction of net debt, will to a greater extent enable the Group to implement growth-focused initiatives, for example acquisitions. The Board of Directors and the Management Team of Beijer Electronics Group believe that strengthening the balance sheet will enable the Group to carry out contemplated offensive investments approximately two years earlier than currently planned. In addition, the Group will be less sensitive to temporary fluctuations in the market and sales.

In the beginning of 2016, the Board of Directors decided that the Group, within a 2-3 year timeframe, will achieve minimum organic growth of seven per cent per year, and a minimum operating margin of ten per cent. The intention is to reach these targets during the latter part of 2018.

Terms of the rights issue

Those who are registered as shareholders by Euroclear Sweden on the record date September 5, 2017 have preferential rights to subscribe to shares in the rights issue in proportion to the existing number of shares held on the record day. Each share grants the holder one (1) subscription right. The subscription rights entitle the holder preferential rights to subscribe for shares, whereby two (2) subscription rights entitle to subscription of one (1) share.

The shares are traded without the right to participate in the rights issue as from September 1, 2017. The final day for trading including the right to participate in the rights issue is September 4, 2017.

In case all shares are not subscribed for with subscription rights, the Board of Directors shall, within the framework of the preferential rights issue's maximum amount, make a decision as to the allocation of shares subscribed for without subscription rights. Such shares should firstly be allocated to those who subscribed for shares with subscription rights, whether or not they were shareholders on the record date, pro rata in proportion to the number of subscription rights that each shareholder had utilised for subscription. Secondly, shares shall be allotted to others who have registered for subscription of shares without subscription rights. Thirdly, potential remaining shares shall be assigned the guarantors which have guaranteed the rights issue. To the extent that shares cannot be allotted as stated above, they will be allotted by drawing lots.

The subscription price is SEK 23.60 per share. Provided that the rights issue is fully subscribed for, the rights issue will raise proceeds of SEK 224,997,514.80 before costs related to the rights issue. The rights issue will increase Beijer Electronics Group's share capital with a maximum of SEK 3,177,931 to a maximum of SEK 9,533,793 by issuing a maximum of 9,533,793 new shares. The number of shares in Beijer Electronics Group after the rights issue will amount to a maximum of 28,601,379 shares.

The subscription period is expected to run from September 7, 2017 up to and including September 22, 2017. The Board of Directors of Beijer Electronics Group has the right to extend the subscription period. A potential extension will be announced by the Group through a press release no later than September 22, 2017. Trading with subscription rights is expected to run between September 7-20, 2017.

Holders of shares who choose not to participate in the rights issue will have their shareholdings diluted by approximately 33 per cent, but are able to financially compensate for this dilution by selling their subscription rights.

The rights issue is subject to approval at the extraordinary general meeting which will be held September 1, 2017 at 14.00 CET at Beijer Electronics Group's premises, in Malmö, at Stora Varvsgatan 13A, first floor, and subject to the extraordinary general meeting's approval of the

Board's proposal to amend the Articles of Association. The notice to the extraordinary general meeting was published on July 21, 2017 and is available on Beijer Electronics Group's website.

Subscription commitments, intentions to subscribe and guarantee undertakings

Beijer Electronics Group's largest shareholders support the rights issue. Stena Sessan Investment AB, Svolder and Fjärde AP-Fonden, together representing approximately 44.2 per cent of the share capital in Beijer Electronics Group, have endorsed the decision of the rights issue, submitted binding subscription commitments for subscription of shares corresponding to their respective pro rata portion of the rights issue and committed to vote in favour of the rights issue at the Extraordinary General Meeting. In addition, SEB Fonder and Nordea Fonder have expressed their intentions to subscribe their pro rata portion of the rights issue respectively and to vote in favour of the rights issue at the Extraordinary General Meeting. At the time of the decision of the rights issue, the principle shareholders have an ownership share of approximately 69.7 per cent of the capital in Beijer Electronics Group (based on ownership details as of June 30, 2017). Stena Sessan Investment AB and Svolder have also issued guarantee undertakings corresponding to the part of the rights issue that is not covered by the subscription commitments. Stena Sessan Investment AB and Svolder receive a customary remuneration from the Group for their guarantee undertakings.

At the time of the decision of the rights issue, Stena Sessan Investment AB holds 5,680,116 shares, corresponding to 29.79 per cent of the total number of shares and votes in Beijer Electronics Group. Stena Sessan Investment AB has received an exemption from the mandatory bid obligation from the Swedish Securities Council, which otherwise could emerge in relation to Stena Sessan Investment AB's subscription of shares in the rights issue or by fulfilment of its guarantee undertaking to subscribe for shares which have not been subscribed for by other shareholders, pursuant to Chapter 3, Section 1 of the Swedish Public Takeover Act (Sw. lagen om offentlig uppköpserbjudanden på aktiemarknaden).

The exemption from the mandatory bid obligation is conditional on 1) that the shareholders, prior to the Extraordinary General Meeting of Beijer Electronics Group, are informed about the highest possible capital and voting rights that Stena Sessan Investment AB may obtain through its subscription of shares, and 2) that the decision of the rights issue is supported by shareholders representing at least two-thirds of the votes cast as well as the shares represented at the Extraordinary General Meeting, where the shares held and represented by Stena Sessan Investment AB shall be disregarded from the counting of votes. If Stena Sessan Investment AB subsequently acquires additional shares and thereby increases its voting rights, a mandatory bid obligation will emerge.

Shareholders are hereby informed that Stena Sessan Investment AB, by fulfilling its obligations, may obtain capital and voting rights in Beijer Electronics Group of approximately 44.3 per cent.

Shareholders together representing approximately 69.7 per cent of the votes in Beijer Electronics Group have expressed their intention to vote in favour of the rights issue at the Extraordinary General Meeting. Taking into account the exemption from the mandatory bid obligation from the Swedish Securities Council, where the shares held and represented by Stena Sessan Investment AB at the Extraordinary General Meeting shall be disregarded from the counting of votes, shareholders representing approximately 39.9 per cent of the number of shares and votes in Beijer Electronics Group AB have expressed their intention to vote in favour of the rights issue at the Extraordinary General Meeting.

Preliminary timetable for the rights issue

September 1, 2017	Extraordinary General Meeting to approve the rights issue resolved by the Board of Directors
September 1, 2017	Last day of trading in Beijer Electronics Group's shares including right to participate in the rights issue
September 4, 2017	First day of trading in Beijer Electronics Group's shares excluding right to participate in the rights issue
September 4, 2017	Estimated date for publication of the prospectus
September 5, 2017	Record date for the right to participate in the rights issue, in other words, shareholders that are registered in the share register this day will receive subscription rights that entail rights to participate in the rights issue
September 17 - 20, 2017	Trading in subscription rights
September 7 - 22, 2017	Subscription period
September 27, 2017	Announcement of preliminary results of the rights issue

Financial and legal advisors

Danske Bank is acting as financial advisor and Mannheimer Swartling as legal advisor to Beijer Electronics Group in connection with the rights issue.

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The information in this press release is information that Beijer Electronics Group AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the agency of Joakim Laurén at 18.15 CET on August 28, 2017.

Important notice

The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade in shares or other securities in Beijer Electronics Group. Any invitation to the persons concerned to subscribe for shares in Beijer Electronics Group will only be made through the prospectus that Beijer Electronics Group estimates to publish on or around September 4, 2017.

The information in this press release may not be released, published or distributed, directly or indirectly, in or into the United States (including its territories and provinces, every state in the United States and the District of Columbia), Australia, Hong Kong, Japan, Canada, New Zealand,

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***Beijer Electronics Group** is a fast growing technology company with extensive experience of industrial automation and robust data communication. The company develops and markets competitive products and solutions with focus on the user. Since its start-up in 1981, Beijer Electronics has evolved into a multinational group with sales of over 1.1 billion SEK in 2016. Beijer Electronics is listed on the NASDAQ OMX Nordic Exchange Stockholm's Small Cap list under the ticker BELE. www.beijergroup.com*