

Statement by the Board of Directors of Gunnebo in relation to the public cash offer by GB HoldCo

Conclusion

The Board of Directors of Gunnebo unanimously recommends the shareholders of Gunnebo to accept the offer by GB HoldCo.

Background

This statement (the “**Statement**”) is made by the Board of Directors (the “**Board**”) of Gunnebo AB (publ) (“**Gunnebo**” or the “**Company**”) pursuant to Section II.19 of Nasdaq Stockholm’s Takeover Rules (the “**Takeover Rules**”). GB HoldCo AB (“**GB HoldCo**”) has today announced a public cash offer to Gunnebo’s shareholders to transfer their shares in Gunnebo to GB HoldCo (the “**Offer**”). GB HoldCo is indirectly owned by Altor Fund Manager AB (on behalf of and as manager to Altor Fund V (No. 1) AB and Altor Fund V (No. 2) AB) and Stena Adactum AB (“**Stena Adactum**”). GB HoldCo is offering SEK 25 per Gunnebo share (the “**Bid Price**”).

The Bid Price represents a premium of approximately:

- 33% compared to the closing price for the Gunnebo share on Nasdaq Stockholm on 25 September 2020 (the last day of trading prior to the announcement of the Offer) of SEK 18.82;
- 32% compared to the volume-weighted average trading price for the Gunnebo share on Nasdaq Stockholm over the last 10 trading days ended on 25 September 2020 (the last day of trading prior to the announcement of the Offer) of SEK 18.98; and
- 31% compared to the volume-weighted average trading price for the Gunnebo share on Nasdaq Stockholm over the last 90 trading days ended on 25 September 2020 (the last day of trading prior to the announcement of the Offer) of SEK 19.13.

The acceptance period of the Offer is expected to commence on or around 1 October 2020 and expire on or around 12 November 2020, subject to any extensions.

The completion of the Offer is conditional upon, among other things, that shareholders of Gunnebo accept the Offer to such an extent that GB HoldCo becomes the owner of more than 90% of the total number of shares in Gunnebo and the receipt of all necessary regulatory, governmental or similar clearances, approvals and decisions and other actions from authorities or similar, including from competition authorities, in each case on terms which, in GB HoldCo’s opinion, are acceptable. GB HoldCo has reserved the right to in whole or in part waive these and other conditions for completion of the Offer. GB HoldCo has stated that it will not increase the Bid Price of SEK 25 in the Offer. By this statement, GB HoldCo cannot, in accordance with the Takeover Rules, increase the Bid Price in the Offer.

Vätterledens Invest AB and IF Skadeförsäkring AB (publ), whose shareholdings in Gunnebo represent approximately 19.5% and 10.6%, respectively, of the total number of shares in Gunnebo, have undertaken, subject to certain conditions, to accept the Offer. Such undertakings represent approximately 30.1% of the total number of shares in Gunnebo, which combined with Stena Adactum’s Gunnebo shares represent approximately 56% of the total number of shares in the Company. Please refer to GB HoldCo’s announcement of the Offer for more information about these undertakings.

The Board has, at the written request of GB HoldCo, permitted GB HoldCo to carry out a limited confirmatory due diligence review of Gunnebo in connection with the preparation of the Offer. In connection with such due diligence review, GB HoldCo has received certain preliminary financial information concerning Gunnebo’s first two months of the third quarter (July and August) of this year and an outlook for the third quarter and fourth quarter 2020. This information is announced by Gunnebo today in a separate



press release and the outlook for the third and fourth quarters is set out below in the section “*The evaluation of the Offer by the Board*”.

The board members Martin Svalstedt, CEO and board member of Stena Adactum, and Mikael Jönsson, CEO of Vätterledens Invest AB, have, as a result of conflicts of interest under the Takeover Rules, not participated in the Board’s handling of or decisions concerning matters relating to the Offer.

Gunnebo has retained SEB Corporate Finance (“**SEB**”) as financial adviser and Mannheimer Swartling as legal adviser in relation to the Offer.

SEB has, at the request of the Board, provided a valuation opinion to the Board (a so-called fairness opinion) according to which the Bid Price, in SEB’s opinion, is fair to Gunnebo’s shareholders from a financial point of view. The opinion is attached to this Statement and is subject to the assumptions and considerations set out therein.

The evaluation of the Offer by the Board

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, Gunnebo’s present position, the expected future development of the Company and related opportunities and risks.

In 2016, Gunnebo updated its strategy, the purpose of which is to create a more focused, profitable and innovation-oriented company, partly by turning more focus on the Business Units: Entrance Control, Safe Storage and Cash Management. The Board believes that Gunnebo has come a long way in delivering on its updated strategy as well as its cost-efficiency programme launched in July 2019 and that Gunnebo is positioning itself well for the long term.

Gunnebo has however been negatively affected by the Covid-19 pandemic. While Gunnebo has been able to mitigate the financial effects of the Covid-19 pandemic by the temporary closure of certain production units, as well as necessary capacity adjustments and cost reductions in the Company’s global operations, Gunnebo has experienced significantly lower demand for its products, services and service offerings as a result of the pandemic. The low demand has continued into the third quarter of 2020 but the expectation is that revenues will grow 3-5 per cent compared to the second quarter 2020 (decline of 25-30 per cent compared to the third quarter 2019) with an EBITA margin of 2-3 per cent. For the fourth quarter 2020, the expectation is that the recovery will continue which is expected to contribute to a slight improvement in both revenue and EBITA compared to the third quarter 2020. The Board notes that there is significant uncertainty in the macro economic outlook not least due to the impact from Covid-19. Covid-19 has further strained Gunnebo’s financial position and during the second quarter of 2020, a renegotiation was conducted with the Company’s banks. Gunnebo reported net debt/EBITDA (excl. post-employment benefits, including IFRS 16 Leases) of 3.9 times at the end of the second quarter, which could increase during the third and fourth quarter of 2020.

Against this backdrop, the Board has carefully considered whether the immediate rewards of the Offer are reasonably reflective of Gunnebo’s long-term future prospects as a result of a successful execution of its business 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, continued lower demand due to Covid-19, possible failure to predict and adopt new technology and adapt and update products, services and software as well as business models to prevailing technological and digital conditions and trends as well as changed market conditions and trends as a result of changed political prioritisations, new legislation, technological developments and digitalisation that lead to reduced demand for Gunnebo’s products and services.

In arriving at its recommendation, the Board has analysed the Offer using the methods normally used for evaluating public offers for listed companies, including Gunnebo’s valuation in relation to comparable listed companies and comparable transactions, premiums in previous public offers, the stock market’s expectations in respect of the Company and the Board’s view on the Company’s long-term value based on expected future cash flows. The Board also notes that Vätterledens Invest AB and IF Skadeförsäkring AB (publ), that have been long-term shareholders in Gunnebo, have decided to accept the Offer. Furthermore,



the recommendation is supported by the fact that the Board has been approached by several non-disclosed interested parties the past few years that has not resulted in a public offer being launched.

The Board has further considered the valuation opinion rendered by SEB according to which the Offer is fair to Gunnebo's shareholders 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 GB HoldCo's statements in the announcement of the Offer, to make public its opinion of the effects the implementation of the Offer may have on Gunnebo, specifically employment, and its views on GB HoldCo's strategic plans for Gunnebo and the effect these may be expected to have on employment and the places where Gunnebo conducts its business. GB HoldCo has in this respect stated:

"GB HoldCo's plans for the future business and general strategy involves acceleration of Gunnebo's current strategy for its business units by continuing to invest in organic growth initiatives and acquisitions in the most attractive product areas. GB HoldCo supports the current strategic review of the business unit Other Business. Further, GB HoldCo intends to operate the business units Entrance Control, Safe Storage and Cash Management as stand-alone businesses and evaluate development opportunities and future mergers, acquisitions and divestments within these business units. GB HoldCo's plans for the future business and general strategy do not currently include any other material changes with regard to Gunnebo's operational sites, its management and employees, including their terms of employment."

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 Gunnebo to accept the Offer.

The following board members have participated in the Board's decision to make this Statement: Panu Routila, Anna Borg Saether, Charlotte Brogren, Eva Elmstedt, Crister Carlsson and Micke Fridström.

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.

Gothenburg, 28 September 2020
Gunnebo AB (publ)
The Board of Directors

For further information, please visit <https://www.gunnebogroup.com/investors> or contact:
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This is information that Gunnebo AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Takeover Rules. The information was submitted for publication, through the agency of the contact persons set out above, at 07:40 CET on 28 September 2020.

The Gunnebo Group operates worldwide providing innovative products, software and services to control the flow of valuables, cash and people. Gunnebo offers entrance control, safe storage, cash management and integrated security solutions to customers primarily within retail, mass transit, public & commercial buildings, industrial & high-risk sites and banking. The Group has a turnover of MSEK 5,500 and is listed on NASDAQ Stockholm. www.gunnebogroup.com

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The Board of Directors of Gunnebo AB ("**Gunnebo**") (the "**Board**") has requested the opinion of SEB Corporate Finance, Skandinaviska Enskilda Banken AB ("**SEB Corporate Finance**") as to the fairness, from a financial point of view, of the offer consideration per Gunnebo share amounting to SEK 25.00 in cash (the "**Offer Consideration**") proposed to be received by the shareholders of Gunnebo pursuant to the public offer (the "**Offer**") by GB HoldCo AB, a company indirectly owned by Altor Fund Manager AB (on behalf of and as manager to Altor Fund V (No. 1) AB and Altor Fund V (No. 2) AB) and Stena Adactum AB (the "**Offerors**"), which is expected to be announced on September 28, 2020.

In connection with the presentation of this opinion, SEB Corporate Finance has, *inter alia*, reviewed certain publicly available and other business and financial information relating to Gunnebo (including annual and interim reports issued by Gunnebo); certain financial forecasts and other information and data which were provided to or discussed with SEB Corporate Finance by the management of Gunnebo and that Gunnebo has instructed SEB Corporate Finance to use for the purposes of its analyses (including extrapolations based on certain alternative assumptions provided by the management of Gunnebo). In addition, SEB Corporate Finance has held discussions with certain members of the Board of Gunnebo and senior members of the management of Gunnebo concerning the businesses, operations, financial position and prospects of Gunnebo; compared certain financial and stock exchange related information regarding Gunnebo with similar information for certain other companies that SEB Corporate Finance considered relevant; reviewed the share price development and trading activity in the Gunnebo shares on Nasdaq Stockholm; and performed such other analyses and studies as SEB Corporate Finance has deemed appropriate as a basis for this opinion.

SEB Corporate Finance has relied, without independent verification, upon the accuracy in all material aspects of all of the financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with SEB Corporate Finance and upon the assumption that no information of material importance to the evaluation of Gunnebo future earnings capacity or for SEB Corporate Finance's assessment in general has been omitted.

With respect to financial forecasts and other information and data provided to or otherwise reviewed by or discussed with SEB Corporate Finance by the management of Gunnebo, SEB Corporate Finance has been advised and assumed with your consent, that such financial forecasts and other information and data (including extrapolations thereto) were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Gunnebo as to the future financial performance of Gunnebo and the other matters covered thereby. SEB Corporate Finance further has assumed that the financial results reflected in the financial forecasts and other information and data used in its analyses will be realized at the times and in the amounts projected.

SEB Corporate Finance has not conducted any due diligence in order to verify the accuracy of the received or reviewed information, and has not made any independent evaluation or assessment of the assets and liabilities (contingent, off-balance sheet or otherwise) of Gunnebo or any other entity, nor has SEB Corporate Finance been furnished with any such evaluation or assessment or made any physical inspection of the properties or assets of Gunnebo or any other entity. SEB Corporate Finance is not expressing any opinion with respect to accounting, tax, regulatory, legal or similar matters and it has relied upon the assessments of representatives of Gunnebo as to such matters.

This opinion does not address any terms (other than the Offer Consideration to the extent expressly specified herein) or other aspects or implications of the Offer, including, without limitation, the form or structure of the Offer. SEB Corporate Finance's assignment does not include expressing an opinion on the relative merits of the Offer as compared to any alternative business strategies that might exist for Gunnebo, including whether any other transaction would potentially be more favourable for the shareholders of Gunnebo, or the effect of any other transaction in which Gunnebo might engage. SEB Corporate Finance also expresses no view as to, and this opinion does not address, the fairness (financial or otherwise) of the amount or nature or any other aspect of any compensation to any officers, directors or employees of any parties to the Offer, or any class of such persons, relative to the Offer Consideration to be paid to the shareholders of Gunnebo or otherwise.

SEB Corporate Finance's opinion is based upon current market, economic, financial and other conditions as in effect on, and upon the information made available as of the date hereof. Any change in such conditions or information may require a revaluation of this opinion. Although subsequent developments may affect this opinion, SEB Corporate Finance assumes no obligation to update, revise or reaffirm this opinion. This opinion does not include any assessment as to the actual value of the prices at which Gunnebo shares or any other securities will trade or otherwise will be transferable at any time, including following announcement or consummation of the Offer.

Skandinaviska Enskilda Banken AB ("**SEB**") is a leading bank in the Nordic market and offers its clients various financial services, including providing and arranging loans, and also has operations within securities trading and brokerage, equity research and corporate finance. As a result of its position in the Nordic market, SEB might have provided and may in the future provide investment banking, commercial banking and other financial services unrelated to the Offer to Gunnebo, the Offerors and/or their respective affiliates, for which services SEB and its affiliates may receive customary compensation, including having acted as Global Coordinator for a rights issue of Gunnebo during the past two years. In addition, in the ordinary course of business within securities trading and brokerage, SEB and any of its affiliates may, at any point in time, for its own or its clients' accounts trade or hold positions in the shares and other securities issued by Gunnebo.

SEB Corporate Finance has acted as financial advisor to Gunnebo in connection with the Offer and will receive a fixed fee for this opinion and other financial advisory services, irrespective of the outcome of the Offer. In addition, Gunnebo has agreed to reimburse SEB Corporate Finance's expenses and to indemnify SEB Corporate Finance against certain liabilities arising out of its engagement.

SEB Corporate Finance's advisory services and this opinion are provided for the information of and assistance to the Board in connection with its consideration of the Offer and does not constitute a recommendation as to whether the shareholders of Gunnebo should accept the Offer or how any such shareholder should act on any matters relating to the Offer or otherwise.

Based upon and subject to the foregoing, it is SEB Corporate Finance's opinion that, as of the date hereof, the Offer Consideration to be received in the Offer by shareholders of Gunnebo is fair, from a financial point of view, to such shareholders.

This opinion shall be governed by and construed in accordance with substantive Swedish law and any dispute, controversy or claim relating to this opinion shall be exclusively settled by Swedish courts.

Stockholm, September 27, 2020

SEB Corporate Finance, Skandinaviska Enskilda Banken AB (publ)