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NIBE announces the terms of its rights issue

NIBE Industrier AB (publ) ("NIBE" or the "Company") announced on August 31, 2016 that the Board of Directors had resolved, subject to approval at the extraordinary general meeting on October 3, 2016, to launch a rights issue of approximately SEK 3 billion with preferential rights for existing shareholders. NIBE's Board of Directors today announces the terms of the rights issue through this press release.

The rights issue in brief:

- Shareholders in NIBE have preferential rights to subscribe for one (1) new share per seven (7) existing shares irrespective of share class, indicating a subscription ratio of 1:7.
- The subscription price is SEK 48 per share, irrespective of share class, which amounts to proceeds of approximately SEK 3,024 million before costs related to the rights issue, assuming the rights issue is fully subscribed.
- The record date for the rights issue is October 5, 2016 and the subscription period runs from October 10, 2016 to October 25, 2016, both dates inclusive.
- The class B shares are traded without the right to participate in the rights issue as from October 4, 2016. The final day for trading including the right to participate in the rights issue is October 3, 2016. Class B subscription rights will be traded on Nasdaq Stockholm from October 10, 2016 to October 21, 2016, both dates inclusive.
- Subscription commitments and intentions to subscribe in the rights issue correspond to 23.1 per cent of the rights issue.
- The rights issue is subject to approval at the extraordinary general meeting which will be held October 3, 2016. Shareholders together representing 67.9 per cent of the votes in NIBE have committed to, or expressed their intentions to, vote in favour of the rights issue at the extraordinary general meeting.

Background and rationale

Since the beginning of the 1990s, NIBE has employed a consistent and successful growth strategy based on organic as well as acquired growth. The growth target is set to a yearly average of 20 per cent, half of which organic and half acquired. The Company has a publicly announced target of reaching revenues of SEK 20 billion by 2020, at the latest. During 2016, NIBE has completed three significant acquisitions; all shares in Heatron in the United States, the remaining 40 per cent of the shares in Stovax in the UK, and, most recently, all shares in CCG in the United States. Furthermore in 2016, NIBE has announced the completion of a number of smaller but strategically important acquisitions, such as Air-Site in Sweden and ATE Electronics in Italy.

All acquisitions completed in 2016 have been financed with cash and using existing credit facilities. In order to maintain good acquisition capacity going forward and also henceforth be able to realise its growth strategy, NIBE announced, in conjunction with the announcement of the CCG acquisition on May 12, 2016, its plans for a rights issue amounting to approximately SEK 3 billion within due course following completion. NIBE sees additional attractive acquisition opportunities, and the rights issue creates the financial strength required to utilise these acquisition opportunities.

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Terms of the rights issue

Those who on the record date of October 5, 2016 are registered as shareholders in NIBE, irrespective of share class, have preferential rights to subscribe for new shares of the same share class in proportion to the number of shares held on the record date. Each share of class A grants the holder one (1) subscription right of class A and each share of class B grants the holder one (1) subscription rights of class B. The subscription rights entitle the holder preferential rights to subscribe for shares, whereby 7 (seven) subscription rights of class A entitle to subscription of one (1) class A share and seven (7) subscription rights of class B entitle to subscription of one (1) class B share.

The class B shares are traded without the right to participate in the rights issue as from October 4, 2016. The final day for trading including the right to participate in the rights issue is October 3, 2016.

Class A shares may only be subscribed for through the exercise of subscription rights. Class B shares can be subscribed for without subscription rights. If all class B shares are not subscribed for with subscription rights, the Board shall, within the framework of the preferential rights issue's maximum amount, make a decision as to the allocation of class B shares subscribed for without subscription rights, whereby such shares shall primarily be allocated to those who subscribed for shares, irrespective of share class, with subscription rights and who have indicated that they wish to subscribe for additional shares, whether or not they were shareholders on the record date. In the case of over-subscription, allotment shall be made in proportion to the number of shares that such persons have subscribed for in the preferential rights issue with subscription rights. Secondly, class B shares shall be allotted to others who have registered for subscription of class B shares without subscription rights and, in the case of over-subscription, allotment shall be made in proportion to the number of class B shares that each one has registered for subscription. To the extent that shares cannot be allotted as stated above, they will be allotted by drawing lots.

The subscription price is SEK 48 per share, irrespective of share class. Provided that the rights issue is fully subscribed for, the rights issue will raise proceeds of approximately SEK 3,024 million before costs related to the rights issue. The rights issue will increase NIBE's share capital with a maximum of approximately SEK 9,844,074.69 to a maximum of approximately SEK 78,752,598.44 by issuing a maximum of 7,391,574 new shares of class A and a maximum of 55,610,504 new shares of class B. The number of shares in NIBE after the rights issue will amount to a maximum of 504,016,630 shares, whereof 59,132,598 class A shares and 444,884,032 class B shares.

Subscription for new shares will take place during the period from October 10, 2016 to October 25, 2016, both dates inclusive. The Company's Board of Directors is entitled to extend the subscription period. Any extension will be announced by the Company in a press release no later than on October 25, 2016. Class B subscription rights will be traded from October 10, 2016 to October 21, 2016, both dates inclusive.

Holders of shares who choose not to participate in the rights issue will have their shareholdings diluted by approximately 12.5 per cent, but are able to financially compensate for this dilution by selling their subscription rights for class B Shares.

The rights issue is subject to approval at the extraordinary general meeting which will be held October 3, 2016 at 17.00 CET at NIBE's premises, NIBE Marknadscenter, Järnvägsgatan 17 in Markaryd, 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 August 31, 2016 and is available on NIBE's website.

Subscription commitments and intentions to subscribe

Melker Schörling, the Company's largest shareholder, and Gerteric Lindquist, the Company's Managing Director and CEO, together representing 15.5 per cent of the capital and 28.4 per cent of the votes in NIBE, have committed to subscribe for their respective pro rata shares of class A and class B shares in the rights issue. No compensation will be paid for the subscription commitments.

In addition, all remaining holders of shares of class A, together representing 18.6 per cent of the capital and 39.5 per cent of the votes in NIBE, have expressed their intentions to subscribe for their respective pro rata

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shares of class A shares, corresponding to 7.0 per cent of the rights issue, and have also expressed their intentions to subscribe for class B shares corresponding to an additional minimum of 0.6 per cent of the rights issue.

In total, subscription commitments and intentions to subscribe correspond to 23.1 per cent of the rights issue. Aforementioned shareholders, together controlling 67.9 per cent of the votes in NIBE, have committed to vote in favour of the rights issue at the extraordinary general meeting on October 3, 2016.

Indicative timetable for the rights issue

October 3, 2016	Extraordinary general meeting to approve the rights issue resolved by the Board of Directors and amendment of the Articles of Association
October 3, 2016	Last day of trading in class B shares including right to participate in the rights issue
October 4, 2016	First day of trading in class B shares excluding right to participate in the rights issue
October 5, 2016	Record date for participation in the rights issue, i.e. holders of shares who are registered in the share register on this day will receive subscription rights for participation in the rights issue
October 6, 2016	Estimated date for publication of the prospectus
October 10 – October 21, 2016	Trading in subscription rights of class B
October 10 – October 25, 2016	Subscription period
On or around October 28, 2016	Announcement of preliminary results of the rights issue
On or around November 2, 2016	Announcement of final results of the rights issue

Financial and legal advisors

Danske Bank and Handelsbanken Capital Markets are acting as financial advisors to NIBE in connection with the rights issue. Advokatfirman Delphi is acting as legal advisor to NIBE in connection with the rights issue.

About NIBE

NIBE is a Global Group contributing to a more sustainable world with solutions for Indoor Climate and Comfort, as well as components and solutions for Measuring, Controlling, and Electric Heating. NIBE has over 60 years of experience in manufacturing products for both residential and commercial use. It all began in southern Sweden, in the province of Småland. Today, NIBE has operations and sales on five continents.

NIBE has cultivated a Culture of Entrepreneurship and a Passion for Conducting Business. Investments in Sustainability-Oriented Product Development and Corporate Acquisitions have led to significant expansion of the NIBE Group, which had sales exceeding SEK 13 billion (approximately USD 1.5 billion/approximately Euro 1.4 billion) in 2015. Operations are pursued through three different Business Areas: NIBE Climate Solutions, NIBE Element, and NIBE Stoves – with over 11,000 employees in Europe, North America, Asia, and Australia.

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Since 1997, the NIBE Group has been listed under NIBE Industrier on the Nasdaq Stockholm Exchange, Large Cap, with a secondary listing on the SIX Swiss Exchange since 2011.

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This information is information that NIBE Industrier AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the agency of Benny Torstensson at 08.00 CET on September 27, 2016.

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 NIBE. No action has been taken and measures will not be taken to permit a public offering in any jurisdictions other than Sweden and Switzerland. Any invitation to the persons concerned to subscribe for shares in NIBE will only be made through the prospectus that NIBE estimates to publish on or around October 6, 2016.

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), Canada, Australia, Japan, Hong Kong, New Zealand, Singapore, South Africa or any other jurisdiction in which such action is subject to legal restrictions or would require other measures than those required by Swedish law. Actions in violation of these restrictions may constitute a violation of applicable securities laws.

No shares or other securities in NIBE have been registered, and no shares or other securities will be registered, under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities legislation of any state or other jurisdiction in the United States and no shares or other securities may be offered, sold or otherwise transferred, directly or indirectly, in or into the United States, except under an available exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act and in compliance with the securities legislation in the relevant state or any other jurisdiction of the United States.