



Royal Unibrew acquires full ownership of Hansa Borg Bryggerier and announces issuing of shares

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Royal Unibrew A/S has today entered into an agreement to acquire the remaining 75% of Hansa Borg Bryggerier, of which Royal Unibrew already has 25% ownership, resulting in a 100% ownership of the company. Hansa Borg Bryggerier is Norway's second largest brewery and beverage company with four breweries and one bottling plant throughout the country and products ranging from beers to ciders, soft drinks, waters and wines for the Norwegian market.

Together with Solera Beverage Group, which Royal Unibrew acquired in September 2021, the acquisition of the remaining 75% of Hansa Borg Bryggerier will create a strong multi beverage market position for Royal Unibrew in Norway.

The Norwegian beverage market is attractive, and the acquisition of Hansa Borg Bryggerier is strategically very important for our Norwegian business as it, in combination with Solera, will create a strong player with a very strong beverage portfolio in Norway and thereby strengthen our multi beverage presence.

CEO of Royal Unibrew, Lars Jensen, says "I am very pleased to announce that we have entered into an agreement to acquire Hansa Borg Bryggerier and we look forward to welcoming our new colleagues to Royal Unibrew. We have been minority shareholders in Hansa Borg Bryggerier since 2002 and have for a long period of time wanted to expand our partnership for mutual interest. I am happy that it has finally succeeded and look very much forward to developing Hansa Borg Bryggerier into the leading multi beverage provider in Norway".

"I am pleased that Royal Unibrew will become the new owner of Hansa Borg Bryggerier. With a strong industrial owner as Royal Unibrew behind us, we will get access to a lot of insight and resources that I am sure will strengthen our position in the market even further as well as ensuring that we have the necessary investment power for the future. I am convinced that the new ownership structure will create significant synergy effects", says CEO of Hansa Borg Bryggerier Lars Giil.

The transaction is based on an enterprise value of NOK 3.3 billion (around DKK 2.4 billion) for 100% of Hansa Borg Bryggerier with close to zero debt at the time of signing. Prior to the transaction Royal Unibrew owns 25% of Hansa Borg Bryggerier, meaning that the net amount paid in this transaction is 75% of the enterprise value, i.e. NOK 2.5 billion (DKK 1.8 billion).

According to the agreement, 10% of the payment, corresponding to NOK 231 million (DKK 171 million), will be paid in cash in connection with closing of the deal, while the remaining 90% of the payment will be paid in Royal Unibrew shares. It has been agreed that the share payment will consist of 2,194,257 shares, which will be a mix of 794,257 treasury shares and 1,400,000 new shares. The issue of the 1,400,000 new shares has been adopted by Royal Unibrew's Board of Directors at a board meeting today pursuant to an existing authorisation given to Royal Unibrew's Board of Directors by the Annual General Meeting. The price per new share is DKK 759, equivalent to the average closing price for Royal Unibrew's shares during the period 3 - 6 January 2022. The new shares will be subscribed for by the seller at closing of the deal and entitle the shareholder with shareholders' right from the time of registration.

The final enterprise value for accounting purposes will be determined at closing of the deal as the value of the consideration will depend on Royal Unibrew's share price at the closing date. The transaction and share issue ensure that Royal Unibrew's capital structure remains strong and with financial flexibility.

The transaction will lead to a revaluation of the 25% ownership that Royal Unibrew has in Hansa Borg Bryggerierne at closing and will lead to an extraordinary profit in 2022 of around DKK 0.4 billion booked under income from associated companies below EBIT.

Hansa Borg Bryggerier is expected to generate normalized revenue in 2022 of around NOK 1.4 billion with a normalized EBITDA of around NOK 210 million, resulting in an acquisition multiple (EV/EBITDA) of 16 times. The ROIC for Royal Unibrew's Norwegian activities are expected to exceed WACC in 2 years from closing.

Closing of the transaction is pending approval from the Norwegian Competition Authority which is expected during H1 2022.

As a result of the acquisitions made during the past months, it has been decided to change reporting segmentation. The new segmentation will take effect from 1 January 2022. New segmentation will be Northern Europe, Southern Europe and International. Northern Europe will include Finland, Norway, Sweden, the Baltic countries, Denmark and Germany. Southern Europe will include Italy and France, whereas International will continue being the businesses outside of these key markets. The annual results for 2021 will be reported in accordance with the old segmentation. We will provide historical comparative numbers for the new segmentation ahead of Q1 2022, which will be announced on 28 April 2022.

For further information on this Announcement:

Investor Relations: Jonas Guldborg Hansen, tel (+45) 20 10 12 45

Media Relations: Louise Kapel, tel (+45) 22 20 80 17

Attachment

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