

ABC Technologies Holdings Inc. Announces the Closing of Cerberus' Minority Stake Sale to Oaktree

TORONTO--(BUSINESS WIRE)—November 10, 2021--ABC Technologies Holdings Inc. (TSX:ABCT) (“**ABC Technologies**”, “**ABC**” or the “**Company**”) announced today the closing of the previously announced transaction involving the sale of a minority stake in the Company by ABC Group Canada LP (“**ABC LP**”), an affiliate of funds managed by Cerberus Capital Management, L.P. (“**Cerberus**”), to funds managed by Oaktree Capital Management, L.P. (“**Oaktree**”).

Pursuant to the terms of a share purchase agreement dated as of September 10, 2021 (the “**Agreement**”) among each of OCM Luxembourg OPPS XI S.à.r.l. and OCM Luxembourg OPPS XB S.à.r.l. (together, the “**Oaktree Funds**”) and ABC LP, the Oaktree Funds have purchased 13,854,412 common shares of ABC Technologies (the “**ABC Shares**”) (representing approximately 25.6% of the fully diluted ABC Shares) from ABC LP at the USD equivalent of CAD\$9.00 per ABC Share (less CAD\$0.0375 per share representing the dividend amount paid by the Company prior to closing) (the “**Acquisition**”).

As part of the closing of the Acquisition, ABC LP assigned to OCM Luxembourg OPPS XI S.à.r.l. its rights under the amended and restated investor rights agreement dated as of June 24, 2021 among the Company, ABC LP and AP IX Alpha Holdings (Lux) S.à.r.l. (the “**Amended Investors' Rights Agreement**”), which provides the Oaktree Funds with, among other things, certain director nomination rights, registration rights, pre-emptive rights and information rights. Immediately following the closing of the Acquisition, the Oaktree Funds are entitled to nominate three of the nine members of the Board of Directors of the Company (the “**Board**”), while certain investment funds managed by affiliates of Apollo Global Management, Inc. (NYSE: APO) (“**Apollo**”) are entitled to nominate five of nine members of the Board. In connection with the completion of the Acquisition, the Oaktree Funds nominated, and the Company appointed, the following three individuals to the Board, whose appointments will be effective on November 11, 2021:

- Mel Carlisle (Independent Director), Managing Director, Oaktree
- Patrick C. George (Independent Director), Senior Associate, Oaktree
- Burt Jordan (Independent Director), President, Atlantic Coastal Acquisition Corp. (former executive of Ford Motor Company)

to fill the vacancies left by the resignation of ABC LP's nominees - Dev Kapadia, Lucas Batzer and James Bernard – who stepped down from the Board concurrently with the closing of the Acquisition and ABC LP's complete exit of its investment in the Company.

The following directors will remain on the Board:

- James Voss (Chairman of the Board, Independent Director), former President and CEO of VECTRA
- Michael Reiss, Partner, Apollo

- Jonathan Williams, Principal, Apollo
- Brooke Sorensen, Head of Private Markets Product, Institutional Client & Product Solutions, Apollo
- Barry Engle (Independent Director), CEO, Qell Acquisition Corp. (former EVP and President of GM - The Americas)
- Todd Sheppelman, President and CEO of ABC

To reflect these changes to the Board and to amend the slate of nominee directors set out in the Company's management information circular dated November 4, 2021 that has been mailed to shareholders (and which is available under the Company's profile at www.sedar.com), the Company shall issue in the coming weeks a subsequent news release with the amended slate of directors standing for election at the upcoming annual general and special meeting of shareholders of the Company called for December 15, 2021. The amended slate of directors will reflect the addition of the Oaktree nominee directors and the removal of the ABC LP nominee directors.

As of closing of the Acquisition, (i) ABC LP will no longer own or control any of the issued and outstanding ABC Shares, and (ii) Oaktree (through the Oaktree Funds) will own 13,854,412 ABC Shares, representing approximately 26.4% of the issued and outstanding ABC Shares (or approximately 25.6% of the issued and outstanding ABC Shares on a fully-diluted basis) (assuming the number of issued and outstanding ABC Shares on a non-diluted basis as of closing is 52,536,422 and on a fully diluted basis as of closing is 54,198,497).

This press release is also being issued pursuant to National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* (“**NI 62-103**”) in connection with the Acquisition. Oaktree and ABC LP will also each file an early warning report pursuant to NI 62-103 with the securities regulators in each of the provinces and territories of Canada with respect to the foregoing matters, a copy of which will be available under the Company's profile at www.sedar.com. A copy of (i) Oaktree's early warning report may also be obtained by contacting Ivan Grbešić of Stikeman Elliott LLP, on behalf of Oaktree, at igrbesic@stikeman.com, and (ii) ABC LP's early warning report may also be obtained by contacting Torrey Leroy, Cerberus Communications, at media@cerberus.com.

Following completion of the Acquisition, Oaktree intends to hold the ABC Shares for investment purposes. Subject to compliance with applicable laws, Oaktree may determine to acquire additional ABC Shares or dispose of ABC Shares through market transactions, public offerings, private agreement or otherwise, depending upon the price of the ABC Shares, market conditions, economic conditions and other factors.

No securities regulatory authority has either approved or disapproved the contents of this news release.

About ABC Technologies

ABC Technologies is a leading manufacturer and supplier of custom, highly engineered, technical plastics and lightweighting innovations to the North American light vehicle industry, serving more than 25 original equipment manufacturer customers globally through a strategically located footprint. ABC Technologies' integrated service offering includes manufacturing, design, engineering, material compounding, machine, tooling and equipment building that are supported by an experienced engineering team of approximately 600 skilled professionals and 6,150 employees worldwide. The Company operates in six product groups: HVAC Systems, Interior Systems, Exterior Systems, Fluid Management, Air Induction Systems, and Flexible & Other. For more information about ABC Technologies, please visit www.abctechnologies.com.

About Oaktree

Oaktree is a leader among global investment managers specializing in alternative investments, with \$158 billion in assets under management as of September 30, 2021. The firm emphasizes an opportunistic, value-oriented and risk-controlled approach to investments in credit, private equity, real assets and listed equities. The firm has over 1,000 employees and offices in 19 cities worldwide. For additional information, please visit Oaktree's website at www.oaktreecapital.com/.

About Cerberus

Founded in 1992, Cerberus is a global leader in alternative investing with over \$55 billion in assets across complementary credit, private equity, and real estate strategies. Cerberus invests across the capital structure where its integrated investment platforms and proprietary operating capabilities create an edge to improve performance and drive long-term value. Its tenured teams have experience working collaboratively across asset classes, sectors, and geographies to seek strong risk-adjusted returns for investors. For more information about Cerberus, please visit www.cerberus.com.

About ABC LP

ABC LP is a limited partnership existing under the laws of the province of Ontario, that is, through one or more intermediary entities, indirectly controlled by Cerberus Capital Management, L.P. ABC LP's registered office address is 199 Bay Street, Toronto, Ontario, Canada M5L 1A9.

Contacts

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