



Vestum establishes Water as new segment and grows internationally with acquisition of Danish water specialist company with sales of SEK 97m, EBITDA of SEK 20m and EBITA of SEK 19m

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Vestum establishes new segment – Water

Vestum's new segment Water consists of specialist companies focused on improving the service industry for water infrastructure. The segment, which is characterized by high profitability and structural growth, includes Lakers Group consisting of 25 specialist companies focused on pump technology and aftermarket services in the water and wastewater industry.

Comments from Conny Ryk, CEO of Vestum:

We have broad experience and know-how in the water infrastructure industry and are well positioned to further develop and consolidate the industry. The Water segment becomes our spearhead when we make acquisitions outside of our core markets Sweden and Norway. This is exemplified by the acquisition of the Danish company Scanregn A/S, which is a market leading supplier of pumps and irrigation solutions. We see that the Water segment connects our two other segments, Services and Infrastructure, on a strategic level and together form a solid platform for continued growth. The acquisition model is the same regardless of geography and segment, says Conny Ryk, CEO of Vestum.

Following the establishment of Water, Vestum's operations will be divided into three segments: Water, Services and Infrastructure.

Water

Water includes specialist companies focused on improving the service industry for water infrastructure. The companies are characterized by high profitability and structural growth and can for example be specialized in pump technology and aftermarket services in the water and wastewater industry.

Services

Services includes specialist companies that serve the construction industry with various services with a special focus on maintenance and renovation work. Most often, these companies act as subcontractors and are, for example, specialized in plumbing, cooling, suspended ceilings, electricity, assembly work, floors, facades, and more.

Infrastructure

Infrastructure includes specialist companies that carry out work in land & civil engineering, railroad, and other infrastructure. The market is driven by large infrastructure investments and extensive maintenance needs and is often characterized by locally strong players.

Vestum acquires Scanregn A/S

Vestum Denmark ApS has agreed to acquire 100% of the shares in Scanregn A/S ("**Scanregn**"). The purchase price will partly be financed through payment in reverse, which will then be set off against 1,384,472 shares in Vestum AB (publ) ("**Vestum**") through offset issues. This will result in a dilution of approximately 0.4%. Scanregn will be included in Vestum's Water segment. In the fiscal year of 2020/2021, Scanregn generated sales of SEK 97m with an EBITDA of SEK 20m and EBITA of SEK 19m, corresponding to an EBITDA margin of 21 percent and EBITA margin of 20 percent.

About Scanregn

Scanregn was founded in 1996 and is a supplier of pumps and irrigation solutions for the entire water and wastewater industry.

In the fiscal year of 2020/2021, Scanregn generated sales of SEK 97m with an EBITDA of SEK 20m and EBITA of SEK 19m, corresponding to an EBITDA margin of 21 percent and EBITA margin of 20 percent.

The company has 18 employees and is headquartered in Grindsted, Denmark.

All figures referenced have been converted from DKK to SEK and are unaudited. The figures are, where applicable, rounded.

Scanregn's financials are expected to be consolidated into Vestum from Q1 2022, provided that the indicative timetable for the completion of the acquisition can be followed.

Comments from Carl-Johan Callenholm, Head of Vestum International:

Today we welcome Scanregn to Vestum! Scanregn is Vestum's first acquisition outside the core markets of Sweden and Norway and will be part of the Water segment. Scanregn is a market leader in pumps and irrigation systems and has over the past five years generated an annual average growth rate of 10% with an average EBITA margin of 19%. Vestum - through e.g. the portfolio company Lakers Group - has extensive experience of developing specialist companies in water infrastructure and works intensively to improve how we address the sustainability challenges in our aging water and sanitation infrastructure. It is great to see that Vestum's acquisition success continues outside of Sweden and Norway, which proves that Vestum's acquisition model is attractive to entrepreneurs regardless of segment and geography, says Carl-Johan Callenholm, Head of Vestum International.

About the transaction

The purchase price will partly be financed through payment in reverse, which will then be set off against 1,384,472 shares in Vestum through offset issues. This will result in a dilution of approximately 0.4%. The subscription price has been determined via a ten-day volume-weighted average price ("VWAP") in Vestum's share during the period 28 January 2022 up to and including 10 February 2022. The seller has undertaken not to sell the subscribed shares for a period of 24 months ("lock-up").

The number of outstanding shares would increase in connection with the Transaction from the existing 357,144,574 to 358,529,046 shares.

The above information on dilution and number of shares is based on previously announced offset issues.

Completion of the acquisition

The transaction is expected to be completed within approximately two weeks. In connection with the completion of the transaction, the Board, backed by an authorization of the Annual General Meeting, will make a formal decision to issue the shares in the offset issue.

Adviser

BDO provides financial advice and Moalem Weitemeyer acts as legal adviser to Vestum in connection with the acquisition.

For additional information, please contact:

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About Vestum

Vestum is a Swedish acquisition-driven company focused on acquiring and developing specialist companies within the segments Water, Services and Infrastructure. Vestum is actively looking for high-quality companies with proven business models, strong market positions and predictable cash flows where Vestum can be involved and contribute to continued positive development.

For additional information, please visit: www.vestum.se

Vestum's share is traded under the short name VESTUM on Nasdaq First North Growth Market and the company's Certified Adviser is G&W Fondkommission: phone: +46 (0)8 503 000 50, e-mail: ca@gwkapital.se.