

Investor News

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SP Group to phase out production activities at Acccoat facility in Kvistgaard

Acccoat A/S, a 100% owned SP Group subsidiary, will close all production activities at the facility in Kvistgaard within the next 12 months.

Phasing out the activities will entail minor one-off costs, the extent of which is still being assessed, and will be included in the budget for 2025. The one-off costs relate to the phase out of the production facilities, where certain activities may be transferred to other parts of the group, dismissal of employees etc.

The decision is made after evaluations of how Acccoat, not being a core activity, matches the future strategy for the entire SP Group. Furthermore, there is uncertainty associated with the future use of PFAS substances in production due to upcoming international and Danish regulation combined with a recognition that the production plant is inappropriately located in the middle of a residential area.

There are no changes to SP Group's expectations for 2024, which remain a revenue growth of 10-16%, an EBITDA margin of 19-21% and an EBT margin of 11-13%.

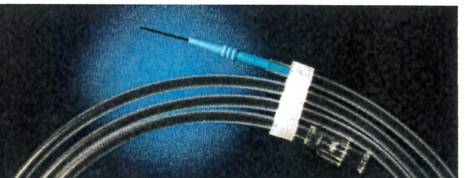
Acccoat is expected to generate approx. 1% of total SP Group revenue and approx. 1% of total EBITDA in 2024. Consequently, the phase out of the activities will have only a minor impact on future financial results for SP Group.

Reference is made to the attached press release published by Acccoat today.

Best regards
CEO Lars Bering
lb@sp-group.dk

For further information:

CEO Lars Bering
Phone: +45 70 23 23 79
www.sp-group.dk



In case of any discrepancies, the Danish version shall prevail.

Accoat A/S to phase out all activities at the production facility in Kvistgaard

The Accoat A/S Board of Directors has decided to phase out all activities at the production facility in Kvistgaard within the next 12 months.

The decision to phase out production is made after evaluations of how the company's activities match the future strategy for the entire SP Group. Accoat's coating of large and small components is not part of the core business, which is moulded plastic and composite components for the industry.

Furthermore, there is uncertainty associated with the future use of PFAS substances in production due to upcoming international and Danish regulation combined with a recognition that the production plant is inappropriately located in the middle of a residential area. This makes it difficult to invest in upgrades of the company to future-proof operations and increased public focus on the production facility and its location has accelerated the decision to phase out production in Kvistgaard.

"Once we have concluded that the location of the company itself is inappropriate, the rest is somewhat self-evident. We took a first step in that direction in the autumn with the decision to close one production line at the turn of the year. Now we take the full consequence and will phase out all production in Kvistgaard during 2025," says Lars Bering, Chairman of the Board of Directors, Accoat A/S.

In the coming period, a detailed plan will be made for phasing out the production in a proper, structured and quick manner, and where the necessary consideration is given to employees, customers, investors and the local area. Certain activities may be transferred to other SP Group facilities.

"This means that we will help our 37 employees to find new jobs as production decreases, and we will assist our current customers in finding other companies to provide relevant products," says Lars Bering.

As a consequence of the production phase out, CEO Susie-Ann Spiegelhauer will be offered a new position in the group. A new CEO will be appointed shortly, bringing a broad experience also from phasing out of production entities.

Contact:

Chairman of the Board of Directors Lars Bering, Accoat A/S, tel: +45 40 36 61 50.