

Press Release
18 February 2019, 15:00.

SdipTech AB (publ) sells back AVA Monitoring AB

SdipTech has today allowed the subsidiary AVA Monitoring to return to its original owners. The transaction entails a minor capital gain for SdipTech, while more room for new investments is freed up.

On 5 July 2017, SdipTech acquired the shares in the company AVA Monitoring AB, which develops and sells measurement systems for monitoring vibrations and noise in connection with infrastructure projects.

The acquisition model that was applied was largely based on outcomes in future earnings. Following the completion of the transaction, the company showed an extraordinary earnings trend over a short period of time, meaning that the performance-based acquisition model was not relevant in relation to the assumed long-term trend.

In the situation that has arisen, the parties have been in negotiations for some time with the intention of finding a solution. The parties have now agreed that the former owners, Malte i Sverige Holding AB, will re-enter as the 100 percent shareholder in AVA Monitoring effective 18 February 2019. SdipTech's deliberations have paid particular consideration to AVA Monitoring's industrial focus, whereby its customers operate predominantly in construction and building technologies. AVA Monitoring will now continue to operate under the same management, and SdipTech wishes the new (and former) owners and the company's personnel the best possible development.

The reversal of the acquisition will be effectuated by SdipTech receiving a refund of the cash purchase consideration paid on the acquisition of AVA Monitoring in July 2017, approx. SEK 21.5 million. SdipTech's outstanding liabilities to the sellers of AVA Monitoring, totalling SEK 72 million are to be written off, including the reserved liability for future payment of the conditional purchase consideration. The booked goodwill asset of SEK 71 million that arose in connection with the acquisition is also to be written off. Finally, a cash payment of approximately SEK 2 million is to be received. Following deductions for the accumulated equity from which SdipTech has benefited since the acquisition, as well as for other costs in connection with the reversal, the net effect for SdipTech will be a gain of approximately SEK 3 million. The reversal also entails a positive annual return of about 12 percent on the capital tied up in the acquisition.

According to SdipTech's assessment, AVA Monitoring, which has belonged to the Niche Products and Services business area, generates long-term sales providing SEK 5 – 10 million in net profit annually. Through the reversal, additional scope for acquisitions is opened up and the Board of Directors makes the assessment that new acquisitions will replace AVA Monitoring's contribution to earnings.

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SdipTech's Class B ordinary share is traded under the ticker SDIP B with ISIN code SE0003756758.
SdipTech's preference shares are traded under the ticker SDIP PREF with ISIN code SE0006758348.
SdipTech's Certified Adviser on the Nasdaq First North Stockholm exchange is Erik Penser Bank, +468-463 83 00, certifiedadviser@penser.se. Further information can be found on the company's website: www.sdiptech.com

SdipTech AB is a technology group focusing mainly on infrastructure segments that are critical for well-functioning communities and for welfare, such as water & sanitation, electricity & automation, energy efficiency & air climate and transport. As part of our offering in metropolitan areas, we also offer niche technical services for properties. SdipTech generates annual sales of approximately SEK 1,500 million and is based in Stockholm.

SdipTech AB (publ) is required to disclose this information pursuant to EU Market Use Regulation 596/2014. The information was provided by the above contact persons for publication on 18 February 2019 at 15:00 CET.