

Norva24 strengthens its market position in western Sweden and within advanced digital sensor solutions through the acquisition of IRG Rörinspektion.

Norva24 Group AB (publ) ("Norva24") has on 5 April 2022, acquired 100 percent of the shares in IRG Rörinspektion AB ("IRG") through its subsidiary Norva24 AB. The acquisition is strategically important for Norva24's work to develop new technological solutions within IoT, sensor technology and digital monitoring. With IRG, Norva24 gains access to a well-functioning technological solution for monitoring of underground infrastructure, advanced pipe inspection and flow measurement services, as well as inflow and infiltration (I&I) inspections. In 2021, IRG's revenue amounted to SEK 36 million, with a growth of ~15 percent annually over the past five years and a double-digit EBITA margin. The company is primarily operative in the Gothenburg region and has around 30 employees, with the Headquarter in Kungsbacka and a branch in Ljungskile. The acquisition is financed with internal funds and through a rights issue of 208,719 shares to the sellers of IRG, corresponding to an amount of SEK 4,500,000.

IRG has leading expertise in the localization of problem areas in pipe systems that cause flooding and other problems. Using the proprietary IRG method, complete surveys are conducted for customers with the help of specialized personnel and advanced measuring methods and equipment. IRG's total service offering comprises inspections of pipe systems and wells, flow measurement, suction, flushing, mapping and investigation services. Like Norva24, the company has a sustainable and non-cyclical business with annual revenue growth of 8 percent during the pandemic years of 2020 and 2021.

IRG not only investigates problems within pipe systems, such as flooding for municipalities and property owners, but also offers its customers preventive measures and services. Norva24 foresees attractive opportunities for synergies through the cooperation between IRG and the other operations within Norva24, both in Sweden and in other markets.

"Norva24's strategy includes the development of new technological solutions within IoT and digital monitoring to be able to offer even better UIM services in the future. With the acquisition of IRG, we gain access to a well-functioning technological solution for monitoring the underground infrastructure, which we in the future will be able to offer to Norva24's customers in other regions" says Henrik Damgaard, CEO Norva24 Group.

"IRG is a key part of our strategy to strengthen Norva24's leading market position within advanced pipe inspections, in terms of both capacity and competence, as well as our presence in western Sweden. With IRG, our service offering is strengthened within I&I and flooding inspections, problems that are driven by climate change and more extreme weather. We welcome IRG's around 30 employees, who bring further leading-edge competencies and strengthen our offering in advanced pipe inspection services. IRG's services are a good match for Norva24's business processes in

sustainable services and have clear synergies connected with Norva24's market-leading position and capacity within pipe inspection, pipe flushing, emptying services and relining," says Håkan Wessel, CEO of Norva24 Sweden.

Per Hellman, CEO of IRG: "Norva24 is the right environment for IRG to further develop our I&I and advanced pipe inspection services. With Norva24's market-leading position in Sweden, Norway, Denmark and Germany, a market is opened up for us to further develop our offering to more customers and we look forward to cooperating with Norva24's various units and service areas."

"We are very proud of the acquisition of IRG. This means that we are now established in all of the three largest metropolitan areas in Sweden: Stockholm, Malmö and now Gothenburg," says Håkan Wessel.

IRG will continue to be operated by Per Hellman as CEO. Per and the other two sellers will remain active in the company and have reinvested a significant share of the purchase consideration in Norva24 through a rights issue of SEK 4,500,000.

Rights issue to sellers of IRG

The Board of Directors of Norva24, with support of the issue authorization from the Extraordinary General Meeting on June 30, 2021, has today resolved on a private placement of 208,719 shares to the sellers of IRG, corresponding to a dilution effect of approximately 0.11 percent of the share capital and votes in Norva24. The subscription price, which the share transfer agreement stipulated was to correspond to the closing rate for Norva24's share on the Nasdaq Stockholm on the date of signing the transfer agreement (31 March 2022), amounted to SEK 21.56 per share. The shares are subject to a lock-up of 12 months. Following the private placement, the total number of shares and votes in Norva24 amounted to 182,682,740 shares and votes. As a result of the issue, the share capital in Norva24 increased by SEK 695.73 to SEK 608,942.466667

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Norva24 is the leading northern European player in the UIM industry[1] and offers UIM services, such as emptying services, pressure washing and pipe services. On December 31, 2021, the company operated 66 branches[2] in Norway, Germany, Sweden and Denmark, with approximately 1,400 employees. The company's history dates back to 1919 and Norva24 has since evolved from a company with Norwegian roots to being a market leader in UIM services in Norway, Germany, Sweden and Denmark. Norva24 has a history of completing acquisitions in order to enter new markets or to consolidate its local market position, taking advantage of the highly fragmented UIM market in Europe, which is characterized by mostly small, local companies. In its four markets, the company has conducted three 34 acquisitions since 2015. www.norva24.com.

[1] Measured in revenue.

[2] The term "branch" refers to places of business in various locations in which the company conducts its operations.

Attachments

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