

Storskogen resolves upon a directed issue in connection with acquisition of AC Electrical Services Group

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Storskogen Group AB (publ) (“Storskogen”) has today acquired 80 percent of the shares in AC Electrical Services Group Limited (“ACE”). The Board of Directors of Storskogen has resolved upon a directed issue of two convertibles amounting to a total of approximately GBP 10.4 million, with mandatory conversion to a maximum of 16,561,183 B shares in Storskogen, to the sellers of ACE. The acquisition is not expected to affect Storskogen’s leverage (defined as interest-bearing net debt/adjusted RTM EBITDA).

ACE specialises in commercial building fit-outs, LED installation and refurbishments, and has recently expanded into facility management. The company reported sales amounting to GBP 15.1 million for the financial year ending January 2023.

The business was founded in 1995 by Andrew Cumpsty in Blackpool and has grown steadily since inception. The company has established itself as a nationwide market leading installation business by consistently delivering high quality projects. ACE works directly for end customers and is now the preferred contractor for a number of blue-chip customers, in particular in the discount retail space, with whom they have secured long-term relationships.

“Storskogen is a great cultural and business fit for ACE, and we have shared ambitions for the future. I am really looking forward to the next phase of growth and continuing to build the business and relationships with the Storskogen team”, says Andrew Cumpsty, Managing Director, ACE.

ACE will be part of Storskogen’s Installation vertical, within business area Services. Philip Lofgren, Head of Storskogen UK, considers the acquisition of ACE to be an important step in the continued development of Storskogen in the United Kingdom.

“ACE is Storskogen’s eighth acquisition in the UK. We are delighted to add ACE to our growing portfolio of niche companies with leading market positions. We have worked closely with Andy and ACE and believe this is a great platform on which to grow our presence in the mechanical, electrical and plumbing space in the UK”, says Philip Lofgren, Head of Storskogen UK.

Financial and legal information

The acquisition of ACE, previously mentioned in the LOI section of Storskogen’s year-end report 2022, is not expected to affect Storskogen’s leverage (defined as interest-bearing net debt/adjusted RTM EBITDA). The acquisition is partly carried out with B shares in Storskogen Group AB, corresponding to a value of GBP 10,361,992, that will be delivered on 3 April 2024. To secure the delivery of the B shares and to settle this part of the consideration, the Board of Directors of Storskogen has, based on the authorisation from the Annual General Meeting on 17 May 2022, resolved upon a directed issue of two convertibles amounting to a total of GBP 10,361,992 to the sellers of ACE, with mandatory conversion on 3 April 2024.

The conversion price will, in accordance with the terms and conditions for the convertibles, and recalculated to GBP, be the higher of SEK 8 and the Volume Weighted Average Price (“VWAP”) per B share in Storskogen traded on Nasdaq Stockholm during the period 22 – 27 March 2024. The number of new B shares that can be issued in connection with conversion of the convertibles amounts to a maximum of 16,561,183 shares with a maximum share capital increase of SEK 8,446.203331 (which, based on number of outstanding shares as at the date of this press release, corresponds to a maximum

dilution effect of approximately 0.9856 percent of share capital and approximately 0.5498 percent of votes). If the sum of the maximum number of shares and the actual conversion rate, recalculated to GBP, is less than the convertible amount, the excess convertible amount must be paid in cash. The convertibles will be subject to a transfer restriction (so-called lock-up) during their term.

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