

NASDAQ Copenhagen A/S
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SP Group A/S acquires Neptun Plast A/S and Atlantic Floats Denmark A/S

Summary

- Today, SP Group has agreed with the owners of Neptun Plast A/S and Atlantic Floats Denmark A/S to acquire both companies situated in Vordingborg, Denmark, including takeover of debt (enterprise value) of up to DKK 35 million. Buyer is SP Moulding A/S, a subsidiary of SP Group A/S.
- The acquisition of these two well-running companies with own products and specialists in injection moulding of technical plastics and production and sales of floats, baskets, COD END rings, bobbins and buckets for the fishing industry, accelerates the growth in SP Group and add more interesting products and customer portfolio to our wide range of products.
- The owners Laila, Cecilie and Niels Martin Lundsgaard stay on in the management.

Neptun Plast A/S and Atlantic Floats Denmark A/S

Neptun Plast A/S (NP) is an advanced injection moulding company with production and assembly in Vordingborg, Denmark, and has its roots back to 1933, the year it was founded.

Atlantic Floats Denmark A/S (AFD) develops and sells trawl floats and has Icelandic and Danish roots. The products are developed for fishing at great depths (from 300 meter to 3,200 meter) and in waters with low temperatures. The production is carried out at Neptun Plast.

Neptun Plast has been owned by the Lundsgaard Family since 2004. Atlantic Floats Denmark was established at a later point by the acquisition of Sæplast Dalvik ehf Iceland and subsequently merged into the Danish activities. AFD is also owned by the Lundsgaard Family and the family has skillfully run both companies.

NP owns a modern plant of approximately 2,500 m² and the facilities will be taken over by SP Group in connecting with the acquisition.

The companies do not give any information about the sales but expects a normalized EBITDA of approximately DKK 7 million.

The companies have around 12 employees and these employees are expected to continue.

Laila Lundsgaard stays on as managing director of NP and Niels Martin Lundsgaard stays on as technical manager. Cecilie Lundsgaard stays on as sales manager.

Executive Vice President Søren Ulstrup will become new Chairman of NP, and Frank Gad new deputy. Financial Manager Lasse Nielsen, SP Moulding, and Sales Manager Thomas Lund, Dan-Hill-Plast, become new board members.

Transaction

The acquisition of the shares is agreed as follows:

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| 17 million DKK | cash payment at Closing. |
| 8 million DKK | will be financed with a non-interest-bearing vendor note with instalments of one-third after 12 months, one-third after 18 months and one-third after 24 months. |
| 2 million DKK | net-interest-bearing debt is taken over by SP Moulding and will be refinanced after Closing. |



Up to 8 million DKK will be payed as earn-out, provided that EBITDA is growing as expected during the time period 2021-2023.

Therefore, the Enterprise value (EV) corresponds to approximately up to DKK 35 million.

The present value hereof amounts to approximately DKK 34 million.

EV/EBITDA is approximately 5.0.

SP Group is financing the acquisition of Neptun Plast A/S and Atlantic Floats Denmark A/S by own means.

The acquisition of the two companies is not expected to have any effect on the outlook for 2021 as stated previously: a growth in revenue in 2021 of 4-12 % with an EBITDA margin of 16.0-18.0 % and an EBT margin of 9-12 %.

Background for the transaction

The acquisition of Neptun Plast and Atlantic Floats Denmark strengthens SP Group's position as one of the leading companies within plastics in Northern Europe and provides SP Group with new services and products and also access to a number of new and interesting customers. The integration will have some cost synergies. There is no significant overlap of customers. Atlantic Floats Denmark has a number of own products in an interesting niche. It is our hope to contribute to a further development of this business.

"The acquisition of Neptun Plast and Atlantic Floats Denmark accelerates the growth in SP Group. We take over a well-running and well-positioned company with an excellent management and skilled employees and are fully convinced that together we will benefit from our experience on both sides within development, production and sales of plastic components to strengthen our competitive position and to create an even stronger position globally", Chief Executive Officer Frank Gad says.

Managing Director, Laila Lundsgaard: *"Neptun Plast and Atlantic Floats Denmark are in good shape. I am convinced that we can become even stronger as part of SP Group for the benefit of both our customers and our employees. I am looking forward – together with the employees in Neptun Plast – to becoming a part of a big and very competitive group."*

Technical Manager, Niels Martin Lundsgaard: *"I am convinced that with the international platform of SP Group we can establish production on a global basis closer to the customers and continue the good development in Vordingborg. I am eager to develop new and competitive solutions for our customers – and I will spend my full time on this in future."*

Executive Vice President, Søren Ulstrup: *"I am very much looking forward to work with new customers and colleagues. I trust that together we can create a fantastic and exciting future!"*.

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