

Press release
August 2, 2022

Alimak Group makes a transformational acquisition of Tractel, and accelerates its profitable growth strategy

Alimak Group AB (“Alimak Group”) has entered into an agreement to acquire Tractel (“Tractel”), a world leading height safety specialist, providing reliable, innovative and cost-effective working-at-height solutions and services. The acquisition is transformational, accelerating Alimak Group’s profitable growth strategy, creating a highly profitable global provider of safe and sustainable premium height solutions with an annual revenue of over SEK 6 billion. The acquisition adds a new vertical into Alimak Group, Height Safety & Productivity Tools, strengthening the solution portfolios within the Construction, Facade Access and Wind division as well as significantly increasing the potential for the service business. The consideration amounts to MEUR 500, corresponding to approximately SEK 5.3 billion, on a cash and debt free basis (Enterprise Value).

Summary of the acquisition

- Alimak Group has entered into an agreement to acquire Tractel, a world leading height safety specialist providing reliable, innovative, and cost-effective working-at-height solutions and services for a consideration of MEUR 500, corresponding to approximately SEK 5.3 billion, on a cash and debt free basis (Enterprise Value). The purchase price corresponds to an EV/EBITDA multiple¹ of 10.3x based on Tractel’s EBITDA during the period of 12 months ending on 30 June 2022.
- Tractel has a diversified and global customer base and owns manufacturing sites on three continents. Its revenue during the period of 12 months ending on 30 June 2022 increased by 7% and amounted to MEUR 201, corresponding to approximately MSEK 2,093, with an EBITDA margin² of 24%.
- The acquisition offers significant commercial synergies and growth opportunities, including a significantly wider customer base, an expanded product portfolio and a strengthened global service organization, with growth prospects in Construction, Facade Access as well as in the Wind division. Accelerated growth is expected in all the mentioned areas, globally.
- The combination of Alimak Group and Tractel had an annual revenue exceeding SEK 6.0 billion, during the period of 12 months ending on 30 June 2022, with an EBITA margin³ of 17%, excluding synergies.⁴
- The acquisition will significantly increase Alimak Group’s EBITA margin and operating cash flow immediately post completion and is expected to be EPS accretive from the full year 2024 (excluding non-cash amortization impacts and after the Rights Issue).
- With full effect 2026, the total expected annual cash flow potential from commercial and cost synergies amounts to approximately MSEK 150, of which approximately MSEK 80 are estimated to be realized by 2024. The total expected annual cash flow potential from cost synergies amounts to approximately MSEK 70, of which approximately MSEK 40 are estimated to be realized by 2024.

- To finance the acquisition, Svenska Handelsbanken is providing a long-term facility of MEUR 300 and a bridge loan facility. Post-closing of the transaction, the bridge loan facility is intended to be repaid with proceeds from a new share issue with pre-emptive rights for Alimak Group's shareholders.
- The transaction is subject to customary competition authority approvals as well as the shareholders of Alimak Group authorizing the Board of the company to resolve on the Rights Issue. The transaction is expected to close in the second half of 2022 and Alimak Group aims to carry out the Rights Issue during Q4 2022 and/or Q1 2023.

“This transformational acquisition underlines Alimak Group’s profitable growth strategy and ambition to expand our global market presence. We have followed Tractel for a long period and know that it is a growing and highly profitable quality company that shares our values. The combination offers significant commercial synergies and growth opportunities, including a substantially wider customer base, an expanded product portfolio and a strengthened global service organization. We are convinced that this transformational acquisition will create significant shareholder value over time via higher revenue growth and improved profitability”, says Ole Kristian Jødahl, CEO Alimak Group.

”The combination of Tractel and Alimak Group will create a leading global business with significant opportunity for future growth, in a market where there is substantial room for further penetration of our joint products and services. We look forward to the next chapter of our profitable growth journey as part of the Alimak Group”, says Philippe Gastineau, CEO of Tractel.

Financing and financial impacts

The acquisition is financed through a long-term facility of MEUR 300 and a bridge loan facility from Svenska Handelsbanken. Post-closing of the transaction, the bridge loan facility is intended to be repaid with proceeds from a new share issue with pre-emptive rights for Alimak Group’s shareholders of approximately SEK 2.5 billion (the “Rights issue”). The Board of Alimak Group has resolved to propose that an extraordinary general meeting (the “EGM”) in the company shall authorize the Board to resolve on the Rights Issue. A notice to the EGM will be published separately and will be made available at www.alimakgroup.com. A detailed time plan and conditions for the Rights Issue will be announced at a later stage.

Post completion of the transaction and the Rights Issue, the Net Debt⁵EBITDA ratio will increase to 2.9x and temporarily exceed the long-term financial target.

Acquisition-related costs, including transaction, financing, integration and restructuring costs, will amount to approximately MSEK 55, expected to be recognized in 2022 and in 2023. The transaction costs will be accounted for and presented as items affecting comparability.

Tractel will from the start continue to operate under its existing brands and be reported as a new division within the Alimak Group.

Support from Alimak Group’s shareholders

Alimak Group’s largest shareholder Investment AB Latour, holding shares representing approximately 29.6 percent of the votes and shares in Alimak Group, has expressed its support of the Transaction, and has undertaken to vote for the Board’s proposals at the EGM and to subscribe for its pro-rata share of the Rights Issue. In addition, a group of institutional owners, including among others Alantra EQMC Asset Management, First AP-

fund, C Worldwide, and Sundt AS, together holding approximately 23 percent⁶ of the votes and shares in Alimak Group, have through non-binding statements expressed their support of the transaction as well as their intention to vote in favor of the Board's proposal at the EGM and that they intend to subscribe for their respective pro-rata share of the Rights Issue, details of which will be announced at a later date.

Tractel at a glance

Tractel is a world leading height safety specialist, providing reliable, innovative, and cost-effective working-at-height solutions and services. The company has highly recognized quality solutions and brands in combination with a well-established reputation and track record in the market segments in which it operates. Tractel is globally recognized and respected in a range of applications and industries, in particular in industrial, construction, energy, telecoms and infrastructure projects. Tractel brands are built on excellence in engineering and manufacturing, and have a reputation for quality, reliability, and safety. The solutions portfolio comprises height safety protective equipment, load measurement & control, lifting & handling, temporary & permanent access hoists and platforms, BMUs (Building Maintenance Units) and an after-sales business model, with recurring revenue from services such as inspection and maintenance services for permanent access equipment, workshop maintenance and general overhauls of mechanical equipment, as well as training and rental services.

Tractel has subsidiaries in 19 countries, 1,100 employees, customers in 120 countries and over 10,000 distributors globally. Its manufacturing sites are located in Europe, the US, Canada, China, Singapore and Turkey. Tractel's revenue for the period of 12 months ending on 30 June 2022, grew by 7% and amounted to MEUR 201, with an EBITDA margin of 24%. Tractel's current owner is the Fifth Cinven Fund, which acquired the company in 2015.

For more information, please visit www.tractel.com

Alimak Group and Tractel – a strong combination

Alimak Group continues to successfully execute on its strategic roadmap to capture the group's full value potential through Alimak Group's profitable growth strategy, the New Heights Programme.

Tractel has a diversified and global customer base and own manufacturing sites on three continents. Revenue last twelve months, per end of June, increased by 7% and amounted to MEUR 201, corresponding to approximately MSEK 2,093, with an EBITDA-margin of 24%.

The combination of Alimak Group and Tractel is value creative for Alimak Group's stakeholders, creating a highly profitable world leading provider of safe and sustainable premium height solutions with an annual revenue of over SEK 6 billion. Through the transaction, Alimak Group broadens its solutions portfolio and significantly widens the customer base, enabling the delivery of even higher customer value with safe, sustainable, and efficient solutions for both temporary and permanent access needs. While the combination of talent and expertise caters for further growth, the organizations also have similar views on product development and technology. The companies have similar core values, and their cultures are well aligned, with a strong organizational focus on delivering customer value, high quality, safe and sustainable solutions, a safe and inclusive work environment, its people, and working as a team. The integration will start immediately after the closing of the transaction with a dedicated integration team already in place and synergies already identified. During the integration process the main

ambition will be to capture value from the combination, manage the integration risks and above all ensure business continuity through our strong customer focus.

- For Alimak Group, Tractel is a strong strategic fit.
- The acquisition adds a new vertical into Alimak Group, Height Safety & Productivity Tools, which provides significant synergies for cross selling of solutions, adds a lot of new customers, and opens new segments, and contributes with a vast global network of distributors. The end customers of these products are found both within construction as well as basically all industrial segments.
- The acquisition strengthens the solution portfolio in Construction. Tractel's temporary access business, including the brand Scanclimber, which is a leading provider of mast climbing work platforms, complements Alimak Group's wide product range of construction hoists, transport platforms and mast climbing work platforms, serving both construction and rental customers.
- The transaction gives Alimak Group the opportunity to establish a global market leading position in Facade Access. Alimak Group together with Tractel, will have a complete portfolio of solutions and a global service organization able to help all customers with optimized total cost of ownership, globally.
- The transaction includes attractive growth opportunities in Wind. Tractel's product range and growth initiatives in Wind is a perfect fit with Avanti's portfolio and broadens the scope and opportunities for Alimak Group. The joint offering will enhance the Group's value proposition to both OEM's and end customers, expanding the portfolio for safe and efficient access and lifting & handling solutions in Wind towers.
- Alimak Group and Tractel have similar after sales business models based on products that have a long life with need for inspection, service, and re-certification. The combination offers significant potential to increase Alimak Group's service business, based on the large combined installed base of Alimak Group and Tractel. The expanded service solutions offering and the vast installed base, enables the company to minimize customers' total cost of ownership, prolong the lifetime of the solutions and to refurbish and if needed replace such solutions, thereby also reducing the climate and environmental footprint.

Strategic review of Wind division closed

With the opportunities identified through the acquisition and the increased demand for renewable energy, the Board of Alimak Group has concluded on the strategic review of the Wind division and decided to develop the division as part of Alimak Group.

The EBITA-margin in the Wind division has steadily improved driven by efficiency measures and price management, including the exit of the tower internals business. The acquisition of Tractel clearly expands the commercial opportunities for the Wind division, including the addition of lifting and height safety solutions for the wind turbines, and the provision of an increasing amount of value creative and cost-efficient solutions and services for the OEM's and operators.

Alimak Group's current financial targets

Alimak Group is fully committed to its current financial targets. Alimak Group will come back with updated targets soon after closing of the transaction.

- Revenue growth target: 5-7%

The Group's mid-term target is to have an average annual revenue growth of 5-7%.

- EBITA-margin target: 14-16%

The Group's mid-term target is to reach an operating EBITA margin of 14-16%.

- Net Debt/EBITDA target: ~2.0x

The company will maintain an effective capital structure with a net debt of around 2.0x EBITDA over a cycle. The capital structure will be flexible and allow for strategic initiatives.

- Dividend policy: 40-60%

The Group has a target of paying a dividend of 40-60% of its net profit to its shareholders.

- Sustainability target:

Aim to reduce CO₂-footprint with 30% across our value chain by 2025. (Scope 3, normalized based on turn-over, reduction compared to 2019)

Advisors

Handelsbanken Capital Markets is acting as financial advisor and Baker McKenzie as legal advisor to Alimak Group in the transaction.

Telephone conference / Presentation

A telephone conference for investors, analysts and financial media will be held at 09.30 CET on Tuesday, August 2, 2022. President and CEO Ole Kristian Jødahl and CFO Thomas Hendel will present and comment on the acquisition. The presentation, held in English, can also be followed via audiocast.

To participate by phone – please call:

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Link to audiocast:

<https://tv.streamfabriken.com/press-conference-august-2022>

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This information is information that Alimak Group AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 07.50 CET on August 2, 2022.

About Alimak Group

Alimak Group is a world-leading provider of vertical access solutions for professional use, listed on Nasdaq OMX Stockholm. With presence in more than 100 countries, the Group develops, manufactures, sells and services vertical access solutions with focus on adding customer value through greater safety, higher productivity and improved cost efficiency. Alimak Group's products and solutions are sold under the brands Alimak, CoxGomyl,

Manntech, Avanti and Alimak Service. The Group has an installed base of around 70,000 elevators, hoists, platforms, service lifts and building maintenance units around the world. Founded in Sweden 1948, the Group has its headquarters in Stockholm, 10 production and assembly facilities in 8 countries and 2,030 employees around the world. www.alimakgroup.com

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¹ EV/EBITDA multiple is calculated by dividing the consideration amount (enterprise value) by earnings before interest, taxes, depreciation, and amortization (EBITDA).

² EBITDA-margin is calculated by dividing EBITDA by revenue.

³ EBITA margin is calculated by dividing earnings before interest, taxes, and amortization (but including depreciation) by revenue.

⁴ Preliminary unaudited pro forma financials with the purpose of describing the hypothetical financial results after Alimak Group's acquisition of Tractel. All numbers are preliminary and unaudited. Any pro forma financials included in a prospectus regarding the Rights Issue (as defined above) may differ substantially from the combined financial information contained herein.

⁵ Net Debt is defined as interest-bearing liabilities (excluding shareholder loans) less cash and cash equivalents.

⁶ Based on ownership data as per 30 June 2022 provided by Holdings.