

Netmore Group AB (publ) will acquire Bredbandsson AB

Netmore Group AB has signed an agreement to acquire 100% of the shares in Landskrona-based Bredbandsson AB for a purchase price of SEK 22.5 million, of which SEK 18 million in cash and SEK 4.5 million in newly shared issues. Through the acquisition, Netmore will increase its customer base and strengthen its network and production environment for expansion in Sweden and globally.

Since the establishment in 2006, Bredbandsson has gradually built a successful ISP-business (Internet Service Provider), mainly in southern Sweden. With a well-established customer base that will provide Netmore with about 10,000 customers, both private and corporate customers through collaborations with several urban networks. For its operations, Bredbandsson has built a modern IP network with location in several strategically important locations in Sweden. Together with Netmore's existing mobile and IP core, Netmore now has an expanded network closer to its customers, increased redundancy and capacity needed for Netmore's further expansion.

Bredbandssons competence is to operate networks and traffic. Netmore intends to build and strengthen this in Landskrona by placing its existing operations here and thus centralizing all administration, management, service and support. This, too, provides Netmore with a high valued operation center, in its further expansion.

Bredbandsson's operation, with both private and corporate customers, bring in annual net sales of around SEK 22 million, with a positive result.

"The Netmore Group has previously planned to expand its core network, with more nodes and sites to meet customer requirements. We had reserved about SEK 15 million for investments in this during the current year. With this strategic acquisition, we will have this in place upon the entry of Bredbandsson, while at the same time we will have access to operations with positive results and valuable expertise. We are really pleased to have achieved this agreement, through the acquisition we will also add opportunities to strengthen Netmore Group's leading position in several locations regarding IoT networks based on LoRaWAN and other radio networks that will be introduced over time. We intend to develop Bredbandsson locally in Landskrona but also utilize their offering in a larger context." Says Erik Hallberg, CEO, Netmore Group AB.

Netmore Group will take over Bredbandsson by end of March 2020 at the latest. At this time, the seller must ensure that significant agreements have been secured to the company. Netmore Group pays for the asset SEK 18 million in cash and SEK 4.5 million in newly shared issues to the sellers, corresponding to a dilution of 5,615,328 Series B shares (increase of share capital by SEK 561,532.80) based on the volume weighted average price calculated 10 trading days prior to the transaction day, ie a total of SEK 22.5 million. The staff at Bredbandsson AB will continue in their roles but be part of Netmore Group's operational team. The current management team will also continue in a new role as adviser within the Netmore Group.

The acquisition is conditional on the sellers handing over significant agreements to the company and Netmore Group AB holding an extraordinary general meeting on February 18,

2020 to increase share capital and number of shares in the articles of association. Access is expected to take place no later than March 2020.

“Bredbandsson and Netmore complement each other very well, both in terms of customer and in terms of infrastructure and other resources. My assessment is that both companies will be able to benefit greatly from the acquisition. With our combined infrastructure, it is now possible to offer existing customers new and expanded services. I look forward to continuing my work as an advisors to the companies in helping seize these opportunities.” Says Torbjörn Johansson, majority owner and CEO, Bredbandsson AB

For more information,

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The information is such information that Netmore Group AB is obliged to make public pursuant to EU Market Abuse Regulation. The information was released for public disclosure through the contact persons detailed above on 3 February 2020 at 11:35 CET.

Netmore Group AB is an IoT operator that develops a comprehensive solution for cities, industries, properties and homes. Together with our partners we build a safe and sustainable ecosystem for Internet of Things, locally, nationally and global. Netmore Group was formed in 2010 and since 2017 listed on the Nasdaq First North Growth Market.

G&W Fondkommission is the Company's Certified Adviser regarding the listing at Nasdaq First North Growth Market.

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