



## **Netmore divests M2M business to telecom and IoT operator Melita**

**Maltese telecom and IoT operator Melita Ltd (Melita) is acquiring Netmore Group's wholly owned subsidiary Netmore M2M AB (Netmore M2M) for an initial cash purchase price of EUR 1.75 million (approximately SEK 19.6 million), plus a conditional additional cash purchase price of up to a further EUR 2.6 million (approximately SEK 29 million). The parties have entered into an agreement on 26 January 2023 and closing will take place immediately.**

Netmore Group launched the Netmore M2M business in 2019 as part of its then business strategy to target the fast-growing European market for SIM card based IoT connectivity. The subsidiary has grown steadily since its formation, and today has over 300 customers in over 30 countries.

Through this transaction, these customers will have new tools for SIM card based IoT project deployment as Melita brings a proprietary connectivity portal with increased functionality, extensive IoT SIM roaming coverage, as well as additional security options. Melita is licensed and regulated in Malta, and operates its international IoT business under the brand melita.io ([www.melita.io](http://www.melita.io)).

The additional cash purchase price will be calculated based on the EBITDA of Netmore M2M in 2023 (additional purchase price 1) and the first half of 2024 (additional purchase price 2).

### **Profit impact and other economic effects related to the transaction**

The sale of Netmore M2M will initially raise EUR 1.75 million (approximately SEK 19.6 million) for Netmore Group. The capital gain is reported as financial income during the first quarter of 2023.

Subject to target achievement, the additional purchase price 1 will accrue to Netmore Group in Q1 2024 and the additional purchase price 2 in Q3 2024.

At the same time, the divestment reduces Netmore Group's quarterly sales by approximately SEK 1.1 million. The divestment is not expected to have a significant impact on the Group's EBIT.

### **About Melita**

Melita has over 30 years' experience in helping people stay connected with the most technologically advanced telecommunications services. Melita provides smart solutions for business, combining nationwide gigabit fixed internet and 5G mobile networks across Malta. Internationally, melita.io delivers flexible, digital-first IoT connectivity solutions based on mobile or LoRaWAN to clients across Europe, North America and beyond.

*“The sale of Netmore M2M is another step in our strategic focus on our fastest growing business area IoT/LoRaWAN. The sale represents a significant contribution of capital to our business and also the beginning of a partnership with Melita.*

*We are pleased that Netmore M2M will have a very well-suited owner who can continue to manage and develop the business for the benefit of the customers,”*

**says Andreas Stenhager, Chief Commercial Officer, Netmore Group**

*“The acquisition of NetmoreM2M will further strengthen our fast-growing business for SIM-based IoT connectivity by adding customers from across Europe. The partnership with Netmore will also be a strategic element in our future expansion,”*

**explained Harald Roesch, CEO Melita Ltd.**

*This information is information that Netmore Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation (EU no 596/2014). The information was submitted for publication, through the agency of the contact persons set out below, at January 26:th 2023, 12:00 CET.*

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**Netmore Group is a leading IoT operator. We connect properties, offer private and open 5G networks, and enable large-scale IoT through LoRaWAN.**

**Together with property owners, IoT service providers and other partners, we are building secure, reliable and open IoT ecosystems that enable digitalisation across sectors and industries in all geographic markets.**

**Netmore Group was founded in 2010 in Sweden and is listed on Nasdaq First North Growth Market since 2017. Redeye AB is the company's certified adviser.**