

engcon acquires minority stakes in three subsidiaries

engcon AB ("engcon") hereby announces that the company has entered into agreements to acquire all shares not already owned by engcon in the subsidiaries engcon Denmark A/S, engcon Finland Oy and engcon France SAS (together the "Subsidiaries"). The purchase price for the shares in the Subsidiaries corresponds to approximately SEK 126 million in total, of which half will be paid with newly issued B shares in engcon and half will be paid in cash.

engcon currently owns 80 percent of the shares in each Subsidiary, while the remaining shares are owned by local executives in the Subsidiaries, which has been considered to strengthen the community of interest between the local executives and the shareholders in engcon. To create a more efficient and uniform group structure while maintaining the community of interest between the local executives and engcon's shareholders, engcon has entered into share transfer agreements under which engcon will acquire all shares in the Subsidiaries that engcon does not already own from the local executives. Thereby engcon becomes the sole shareholder in the Subsidiaries. The purchase price for the shares in the Subsidiaries corresponds to a total of approximately SEK 126 million, of which approximately SEK 63 million will be paid in cash and approximately SEK 63 million will be paid in the form of B shares in engcon. The sellers have undertaken not to sell the B shares in engcon they receive as consideration for a period of 360 calendar days from 20 May 2025.

The transactions are conditional upon engcon's annual general meeting on 15 May 2025 resolving to approve the board of directors' proposal for a new issue of B shares to the minority shareholders in the Subsidiaries as part of the purchase price in accordance with the above. Through the share issue, it is proposed that a maximum of 694,827 B shares be issued, whereby the share capital may increase by a maximum of SEK 97,276. The subscription price per B share amounts to SEK 90.87, which corresponds to the volume-weighted average price of engcon's B share on Nasdaq Stockholm during the period 1 - 7 April 2025. The proposed share issue corresponds to a dilution effect of approximately 0.15 percent of the votes and approximately 0.46 percent of the number of shares in engcon.

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engcon is the leading global supplier of tiltrotators and associated equipment that enhance efficiency, flexibility, profitability, safety and sustainability of excavators. With knowledge, commitment and a high level of service, engcon's about 400 employees create success for their customers. engcon was founded in 1990, headquartered in Strömsund, Sweden and address the market through 15 local sales companies and an established network of resellers around the world. Net sales amounted to approximately SEK 1.6 billion in 2024. engcon's B share is listed on Nasdaq Stockholm.

For more information, visit **www.engcongroup.com**

Attachments

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