Sdiptech announces stock exchange listing of the Company’s common share of Series B on Nasdaq First North Premier and publishes a prospectus in connection therewith

On April 19, 2017, Sdiptech AB (publ) ("Sdiptech" or the “Company”), a group within the technical industry with main focus on urban infrastructure, announced its intention to list the Company’s common share of Series B on Nasdaq First North Premier (the “Listing” or the “Offering”). Today Sdiptech announces that the Company proceeds with the listing and publishes a prospectus in connection with the Offering.

The Offering in brief:

• The price per common share of Series B in the Offering has been set to SEK 56, corresponding to a total value of the Company’s common shares of SEK 1 696 million after the completion of the Offering.

• The Offering comprises 8 928 571 newly issued common shares of Series B to a value of approximately SEK 500 million, corresponding to approximately 27.9 percent of the total number of shares in the Company after the completion of the Listing.

• To cover potential over-allotment, Ashkan Pouya and Saeid Esmaelizadeh, through Serendipity Group AB (“the Main owner”) has committed to, upon request from Global Coordinator, sell a maximum of 1 339 285 existing common shares of Series B (“the Over-allotment option”), corresponding to up to 15 percent of the Offering.

• Assuming that the over-allotment option utilized in full the total value of the Offering and the over-allotment option amounts to approximately SEK 575 million, corresponding to approximately 32.1 percent of the total number of shares in the Company after the completion of the Offering.

• The issue proceeds amount to approximately SEK 500 million before issue costs.

• Swedbank Robur Fonder AB and Handelsbanken Fonder AB has committed to, under certain conditions, acquire shares in the Offering for SEK 125 million and SEK 50 million respectively (amounting to 7.0 percent and 2.8 percent respectively, of the total number of shares in Sdiptech after the completion of the Offering).

• The commitments from the two cornerstone investors in total amounts to SEK 175 million, corresponding to approximately 35.0 percent of the number of shares in the Offering (approximately 30.4 percent of the number of shares in the Offering assuming that the over-allotment option is utilized in full).

• The Offering consists of an offering to institutional investors in Sweden and internationally, excluding the United States, as well as an offering to the general public in Sweden.
• Nasdaq First North Premier has approved Sdiptech’s application for listing subject to that the distribution requirement for the Company’s shares are fulfilled. The Company’s preference shares are listed on Nasdaq First North Premier since March 4, 2015.

• Trading in Sdiptech’s common shares of Series B is expected to take place on Nasdaq First North Premier on May 12, 2017 and settlement is expected to take place on May 16, 2017.

• In total 95.61 percent of the total number of common shares before the completion of the Offering are subject to lock-up agreement with customary conditions, of which the Main owner, board of directors and management have signed agreements for 360 days and other shareholders have signed agreements for 180 days.

• A prospectus with full terms and conditions is published today, May 2, 2017 on Sdiptech’s website (www.sdiptech.com).

**About Sdiptech and background to the Listing**

Sdiptech is a group within the technical industry with main focus on urban infrastructure. The group offers deeply niched products and services within renovation, maintenance and expansion of critical infrastructure in fast-growing large cities, where the Stockholm region is the Company’s current main market.

Currently, the group's core business comprises 15 operating subsidiaries divided into two areas: tailored technical installations and niched products and services. The operating subsidiaries are governed and developed in a decentralized model to maintain their distinctive character and strength. Since the subsidiaries operate in the same main market – infrastructure in large cities – there are natural conditions for customer synergies, which strengthen profitability and organic growth.

Sdiptech’s operations are characterized by high profitability due to the specialization and the barriers to entry that the niches often have. Strong, long-term market growth exists naturally in Sdiptech’s markets due to the urbanization trend. Acquisitions are a central part of Sdiptech’s strategy, and as of the date hereof, the Company has completed 16 acquisitions. The Company has developed an internal function and methodology for acquisitions which, through data analysis and by actively tracking companies, aims to create exclusive dialogues with interesting and well-run entrepreneurial companies.

Sdiptechs acquisition strategy together with an underlying organic growth has resulted in a strong increase in sales and profitability. During the period 2014-2016, Sdiptech had an EBITA CAGR of 145 percent and during the period 2015-2016, the increase in EBITA was 230 percent. The corresponding increase in sales was 139 percent and 88 percent respectively.

During the fiscal year 2016, Sdiptech’s net revenue proforma was SEK 911 million and EBITA

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1 89.3 percent of the total number of common shares if the over-allotment option is utilized in full.
2 The subsidiaries St. Eriks Hiss AB, KM Hiss & Portservice AB and Hisspartner i Stockholm AB are treated as one operating company since they have the same CEO. Also the subsidiaries Topas Vatten AB and Topas Vatten Service AB are treated as one subsidiary since the have the same CEO.
The proforma reporting has been established with basis in Sdiptech’s consolidated income statement for 2016 and income statements for the acquired companies based on each company’s internal reports for the period January 1, 2016 to each acquisition’s closing date.

Sdiptech has a target of reaching an EBITA of SEK 600-800 million in 2021, and acquisitions constitute an important part of this plan. In light of this, the Board of Directors and the Company consider a listing and an issue of common shares of series B of approximately SEK 500 million as a logical next step. The main part of the net proceeds from the anticipated share issue is intended to be used for acquisitions. The Board of Directors further considers this to be a suitable financing alternative in regards to financial long-term stability. The Board of Directors aim to, based on market conditions, apply for admission to trading of the common shares of series B at Nasdaq OMX Stockholm within 12 months after completion of the Listing on Nasdaq First North Premier.

Jakob Holm, CEO of Sdiptech:

"Since we raised capital through a preference share issue in March 2015, we have increased our growth rate and have completed twelve acquisitions. We have a well-established in-house organization in place to continue acquiring well-run companies, which makes us well prepared to employ new capital. Along with the organic growth, which comes naturally from our underlying market, acquisitions are a fundamental part in our plan to grow the group’s EBITA to SEK 600-800 million in year 2021, and we look forward to do that as a listed company."

Ashkan Pouya, main owner and chairman of the board:

"Sdiptech has accomplished a strong growth journey since the company transformed to its current direction in 2013. We feel that there are great opportunities to create additional value by continuing to acquire and develop companies within urban infrastructure with a long-term perspective. When we now intend to do a share issue and a listing of the common shares of series B on Nasdaq First North Premier, we create opportunities to maintain a high growth rate and we look forward to have new shareholders that can join us in the long-term development of Sdiptech."

About Swedbank Robur Fonder AB

Swedbank Robur Fonder AB is one of Scandinavia’s largest mutual fund managers and a wholly-owned subsidiary of Swedbank. Swedbank Robur Fonder AB offers savings products for private individuals and institutional clients through investment funds and discretionary investment management.

About Handelsbanken Fonder AB

Handelsbanken Fonder AB is a wholly owned subsidiary of Svenska Handelsbanken and is a significant fund manager in Scandinavia. Handelsbanken Fonder AB offers funds that are targeted towards private individuals as well as institutional clients.

Prospectus

A prospectus with complete terms and conditions for the Offering will be available on Sdiptech’s
website (www.sdiptech.com), Carnegie’s website for ongoing offerings (www.carnegie.se/om-carnegie/kontakt/pagaende-erbjudanden/) and on Avanza’s website (www.avanza.se). Application can be made through Avanza’s internet service.

Preliminary time plan

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<th>Event</th>
<th>Date</th>
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<td>Publication of prospectus</td>
<td>May 2, 2017</td>
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<td>Application period for the general public in Sweden</td>
<td>May 3-10, 2017</td>
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<td>Application period for institutional investors</td>
<td>May 3-11, 2017</td>
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<td>First day of trading at Nasdaq First North Premier</td>
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<td>Settlement day</td>
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Advisors

Carnegie is Global Coordinator and Sole Bookrunner in connection with the Listing. Gernandt & Danielsson Advokatbyrå KB is legal advisor to Sdiptech and the Main owner. Baker McKenzie is legal advisor to Carnegie.

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This information is information that Sdiptech AB (publ) is obliged to make public pursuant to EU:s Market Abuse Regulation 596/2014. The information was submitted for publication, through the agency of the contact persons set out above, on May 2, 2017 at 10:00 CET.

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This announcement is an advertisement and is not a prospectus for the purposes of the Directive 2003/71/EC (this directive, together with all changes and any applicable implementing measures in any Member State according to this directive, is called the “Prospectus Directive”). In case the Offering is consummated, a prospectus prepared pursuant to the Prospectus Directive...
will be published, which, when published, can be obtained from the Company. Investors should not subscribe for any securities referred to in this announcement except on the basis of information contained in the prospectus.

In any EEA Member State other than Sweden that has implemented the Prospectus Directive, this communication is only addressed to and is only directed at qualified investors in such Member State within the meaning of the Prospectus Directive, i.e., only to investors who can participate in the Offering without an approved prospectus in such EEA Member State.

This announcement is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons in (i), (ii) and (iii) above together being referred to as "relevant persons").

The shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only to, relevant persons. Any person who is not a relevant person should not act or rely on this announcement or any of its contents.

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements refer to statements which do not refer to historical facts and events, and statements which are attributable to the future, such as expressions as "deem", "assess", "expect", "await", "judge", "assume", "predict", "can", "will", "shall", "should or ought to", "according to estimates", "consider", "may", "plan", "potential", "calculate", "as far as is known" or similar expressions suitable for identifying information that refers to future events. This applies in particular to statements referring to future results, financial position, cash flow, plans and expectations for the Company's business and management, future growth and profitability and general economic and regulatory environment and other circumstances which affect the Company. Forward-looking statements are based on current estimates and assumptions which are based on the Company's current intelligence. Such future looking statements are subject to risks, uncertainties and other factors which may result in actual results, including the Company's financial position, cash flow and profits, deviating considerably from the results which expressly or indirectly form the basis of, or are described in, statements, or may result in the expectations which, expressly or indirectly, form the basis of or are described in statements not being met or turning out to be less advantageous compared to the results, which expressly or indirectly formed the basis of or were described in the statements. The Company's business is exposed to a number of risks and uncertainties which may result in forward-looking statements being inaccurate or an estimate or calculation being incorrect. Therefore, potential investors should not place undue reliance on the forward-looking statements herein and are strongly advised to read detailed description of factors which have an effect on the Company's business and the market in which the Company operates that will be included in the prospectus.

The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.