

LumenRadio acquires Radiocrafts - a global radio-module manufacturer and wireless technology provider

LumenRadio AB (publ) ("LumenRadio") announces today that it has entered into a binding agreement to acquire Radiocrafts AS ("Radiocrafts"), a wireless communication technology company, for an initial purchase price of 85 MNOK. This strategic acquisition adds another business area (Smart Metering) to LumenRadio and broadens the company's existing product portfolio and customer base.

Radiocrafts

Radiocrafts is a well-established player in wireless communication and develops radio modules and network solutions for various industries, such as smart grids and energy management, water distribution and irrigation systems, solar panel and inverter control, and other industrial applications. The company is primarily growing in its main area of expertise, namely "Smart Metering," which involves wireless measurement of electricity, gas, heat and water. By enabling remote meter and sensor reading, and actuator control, their technology contributes to optimized energy and resource utilization.

The company was founded in 2003 and is privately owned. The majority owner is co-founder and CEO Peder Martin Evjen. Until 2021, the company has had relatively steady revenue growth. In 2022, a greater commercial success was achieved, as revenues increased by 79.6% to NOK 38.8 million. The company currently employs twelve professionals working globally from its headquarters and production center in Oslo, Norway.

After the transaction, Radiocrafts will operate as a separate business area within LumenRadio, with Peder Martin Evjen, co-founder and CEO of the company, joining LumenRadio's management team.

Transaction overview

The purchase price for Radiocrafts is set at 85 MNOK, with a potential additional purchase price of up to 30 MNOK, which payment will be finalized in the first quarter of 2026, subject to the achievement of certain profitability targets.

The acquisition will be financed 70% through cash payment and 30% through a directed new share issue to Radiocrafts' shareholders. The directed new share issue is carried out by the board's utilization of the authorization granted by the annual general meeting in 2023. The reason for deviating from the preferential rights of the shareholders is to enable the company to capitalize on the business opportunity that the acquisition is deemed to represent. The board considers the partial payment of the company's shares as an advantage for both the company and its shareholders. This is due in part to the maintenance of a strong financial position for the company.

Additionally, the substantial ownership stake that Radiocrafts' owners will hold in LumenRadio is expected to foster favorable circumstances for a successful integration and the continued growth of Radiocrafts' business. The subscription price for the directed new share issue is set at a level corresponding to the weighted average share price during the last 30 days at the signing of the agreement, i.e., 132,06 SEK per share. By setting the subscription price based on the market price of the company's shares, the board considers it to be reasonable and in line with market conditions.

The transaction is expected to be completed on September 1, 2023.

Comments from the CEO of LumenRadio:

"The market for wireless measurement of electricity, gas, and water is experiencing significant growth, and through this acquisition, we are expanding our existing business and customer base. The wireless cable plays an increasingly significant role in reliable measurement, control and energy management."

"I look forward to welcoming the team of Radiocrafts to LumenRadio and leveraging our collective strength and expertise. The team will form LumenRadio's third business area. I am extremely impressed by the strong position and excellent reputation that Radiocrafts has built within Smart Metering over the last two decades. Together, we complement each other in a way that enables accelerated growth and innovation in existing and new customer segments," says Alexander Hellström, CEO of LumenRadio.

Comments from the CEO of Radiocrafts:

"We look forward to becoming a part of LumenRadio and benefiting from the stability and growth potential it brings to Radiocrafts' operations. The new ownership structure provides us with the opportunity to expand our market presence and customer base in the best possible way in line with our ambition for further growth," says Peder Martin Evjen, CEO and co-founder of Radiocrafts.

LumenRadio AB is obliged to publicly disclose this information in accordance with the EU Market Abuse Regulation. The provided information was submitted for publication by the designated contact person at 16:50 CEST on July 13, 2023.

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About LumenRadio

LumenRadio is a Swedish technology company offering reliable wireless product-to-product connections for business-critical IoT applications. Our scalable solutions build on patented wireless technology for lighting control, building automation and industrial communication. We have a zero vision when it comes to cables and offer our customers a wireless alternative that works as well as the traditional cable – or better. With headquarter in Gothenburg, Sweden, and sales offices in Germany and US, our around 60 passionate employees deliver every day – Wireless Without Worries. www.lumenradio.com

LumenRadio AB is listed on Nasdaq First North Growth Market, FNCA is the company's Certified Adviser.

About Radiocrafts AS

Radiocrafts is a leading RF module design and manufacturing company. Radiocrafts' standard RF modules provide compact, easy-to-use, low cost, low power and high-performance RF solutions for a large number of wireless applications using license-free ISM bands. Using modules OEM manufacturers without RF design knowledge can easily add wireless technology into their design, reducing time-to-market, cost of design, test and compliance approvals. Radiocrafts also offers custom and application specific product development, supporting customers from initial project ideas to volume product delivery. www.radiocrafts.com

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