

Wirtek purchases own shares from the Board of Directors as part of the CoreBuild acquisition

Wirtek has signed a binding agreement to acquire the assets of the CoreBuild companies (Company announcement 06/2021).

The payment for the acquisitions is to be done as a fixed payment and an earn-out payment. Both the fixed payment and the earn-out payment are subdivided into a cash-part and a share-part.

Cash payment

The initial fixed cash payment will be done using Wirtek's available cash positions and the cash payment related to the earn-out agreement will be done with the cash generated through Wirtek's ordinary positive cash flow.

Share payment

The Board of Directors in Wirtek has decided the division of the share payment between non-dilutive existing Wirtek shares and options and dilutive Wirtek warrants or new Wirtek shares as described in Company announcement 06/2021. All shares – 164.644 shares in total - needed to cover the initial share payment as well as the share-based earn-out payment up to a 100 % earn-out target will, as an integral part of the acquisition, be purchased from the members of Wirtek's Board of Directors.

The initial share payment of 59.494 shares will be transferred to the sellers of the CoreBuild companies at closing of the acquisition, whereas the remaining 105.150 shares will be kept by Wirtek as treasury shares until the share payments related to the earn-out are due.

The Board of Directors has, as stated in Company announcement 02/2021, agreed to support the acquisition with Wirtek shares from their own holdings of shares. The pricing of each share of 25,00 DKK across all transactions related to the acquisition was calculated in the trading days before the initial announcement of the acquisition was made public in Company announcement 02/2021.

No dilution of existing shareholders

The share payment up to 100% of the earn-out target will thus be covered without any dilution of the existing shareholders of Wirtek.

If the acquired CoreBuild companies outperform the 100% Earn-out target, the related share payment of the earn-out in the range from 100% to a maximum of 200% will be given either as dilutive warrants, existing shares purchased on market condition, or new Wirtek shares, or a combination. The Board of Directors was granted the necessary authorizations at the ordinary general meeting on 7 April 2021. (Company announcement no. 5/2021).

After the closing and up to the conclusion of the two earn-out periods the Board of Directors will decide how to cover the needed shares if the 100% expectations of the earn-out agreement are exceeded.

CEO Michael Aaen comments:

"I'm pleased that we are able handle the share-based target payment for the acquisition of the CoreBuild companies without a need to dilute our existing investors by utilizing our strong cash position to buy existing Wirtek shares.

In the potential event that the CoreBuild acquisition exceeds the 100% earn-out target, I think and hope that the possible dilution of the existing investors will be seen as a small price to pay for the acquisition outperforming our expectations.

I'm personally pleased to be able to support the acquisition with some of my own shares."

Further information



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About Wirtek

Wirtek is a Danish IT outsourcing company. Since 2001, we have been teaming up with companies to help them create great software solutions and electronic equipment products.

Several clients have been with us for more than 10 years, so we can confidently say that in outsourcing, the quality of the relationship matters just as much as the quality of the delivered software. Our clients get state-of-the-art technical solutions and a committed team that works with them as if it were their own.

Wirtek has offices in Denmark (HQ + sales) and four development and test centres in Romania, and we are 150+ colleagues. Wirtek was listed at Nasdaq First North Growth Market Denmark in 2006.

Ticker Code: [WIRTEK \(DK0060040913\)](#)