

# VERTISEIT ACQUIRES VISUAL ART AND BONNIER CAPITAL BECOMES THE THE LARGEST SHAREHOLDER OF THE COMPANY THROUGH A DIRECTED SHARE ISSUE

Vertiseit AB ("Vertiseit" or "the Company") today acquires Visual Art Sweden AB ("Visual Art"), a leading player in Digital In-store and Retail Media with headquarters in Stockholm, subsidiaries in eight countries, and sales in 39 countries. Together with Visual Art, Vertiseit significantly strengthens its position in Digital In-store in Europe and expands its global presence. The Company acquires all outstanding shares in Visual Art for a purchase price of SEK 457 million on a debt- and cash-free basis, which will be comprised of cash payment, issue of new B-shares in the Company and warrants, entitling the sellers to subscribe for up to one million B-shares in Vertiseit. Founders and previous shareholders of Visual Art, including key executives, reinvest approximately SEK 50 million in Vertiseit by offsetting part of the purchase price for B-shares in the Company. The acquisition is completed today, October 2, 2024. The acquisition is financed through a combination of a loan of SEK 225 million from Nordea Bank ("Nordea") and a new share issue of approximately SEK 250 million directed partly to previous shareholders of Visual Art and partly to Bonnier Capital AB ("Bonnier Capital"), which becomes the new main owner of Vertiseit.

## TRANSACTION OVERVIEW

- Vertiseit has entered into an agreement with the shareholders of Visual Art (the "Sellers") to acquire all outstanding shares in Visual Art. The purchase price amounts to SEK 469 million, corresponding to a company valuation of SEK 457 million on a debt- and cash-free basis, and will be comprised of cash payment, issue of new B-shares in the Company and warrants, entitling the sellers to subscribe for up to one million B-shares in Vertiseit.
- The cash portion of the purchase price is financed through a combination of new debt and equity, consisting of a new long-term credit facility of SEK 225 million provided by Nordea, and a share issue of approximately SEK 250 million (the "Directed Issue").
- The newly issued shares in the Directed Issue will be issued at SEK 42.20 per share, which is based on a discount of five percent to the volume-weighted average price of Vertiseit's B share ("VERT B") on the Nasdaq First North Growth Market over 90 trading days from May 13 to September 17, 2024. The warrants are issued at a subscription price of SEK 7.22 per warrant.
- Vertiseit's board of directors has today resolved to carry out the Directed Issue and the warrant issue, subject to the subsequent approval of an extraordinary general meeting. Notice of the extraordinary general meeting will be issued via a separate press release.
- Bonnier Capital has entered into a binding commitment to participate in the Directed Issue with a total amount of SEK 200 million. The amount will be provided by Bonnier Capital in the form of a bridge loan amounting to SEK 200 million until the Directed Issue is approved by the general meeting and the new issue is registered with the Swedish Companies Registration Office. Bonnier Capital's binding commitment is essentially conditional partly on the acquisition of Visual Art,

partly that the extraordinary general meeting approves the Directed issue, whereby Bonnier has the right and obligation to receive payment for Bonnier Capital's claim by offsetting and subscribing for B shares in the Company.

- Bonnier Capital's participation in the Directed Issue entails, and is conditional upon, that the general meeting elects a representative from Bonnier Capital to the Company's Board of Directors.
- Following completion of the Directed Issue and its subsequent approval by the extraordinary general meeting, Bonnier Capital's ownership in the Company will amount to approximately 17.7 percent, and the reinvesting Sellers' ownership will amount to approximately 4.1 percent of the Company's total number of outstanding shares.
- Shareholders controlling 52 percent of the shares and 75 percent of the votes in Vertiseit have committed to vote in favor of the relevant proposals at the extraordinary general meeting.
- The acquisition takes effect today, October 2, 2024.

### **BACKGROUND AND MOTIVE**

Vertiseit is a leading platform company within Digital In-store, offering In-store Experience Management (IXM) platforms Grassfish and Dise. Vertiseit has a strong customer base with brands such as Marks & Spencer, Lidl, Bosch, Vodafone, Volkswagen, Porsche, and BMW, where the Company's services and products help enhance the brand experience and create a seamless customer journey between digital and physical channels. The annual recurring SaaS revenues (ARR) amounted to SEK 179 million at the end of Q2 2024, with an annual organic growth exceeding 20 percent. Vertiseit pursues an ambitious growth strategy based on strong organic growth and strategic acquisitions.

Visual Art is a pioneer in Digital Signage and operates with offices in Europe and the USA, headquartered in Stockholm. Founded in 1997, the company early on developed Digital Signage software for McDonald's. Today, the company holds a global prominent position in Digital Signage with approximately 75,000 software licenses in 39 countries. The company's primary markets are in Europe and the USA, with global contracts and major customers such as McDonald's, Subway, Kesko, ICA, 7-Eleven, Circle K, Telia, Ocean Outdoor, Lego, Joe & the Juice, and NIO. The company employs around 120 personnel across eight countries, focusing on consultancy, concept design, technology, and platforms. Visual Art has annual recurring SaaS revenues (ARR) of approximately 75 MSEK with growth exceeding 20 percent and total revenues of approximately SEK 345 million in 2023.

Together with Visual Art, Vertiseit strengthens its leading position in Europe by increasing its presence in the Nordics, the UK, and the DACH region, and enhancing its presence in Southern Europe through an office in Spain. Through this acquisition, Vertiseit takes a step towards establishing a presence in North America, where Visual Art operates with an office in Chicago. The new group has approximately 270 employees with a local presence in Sweden, Norway, Denmark, Finland, Germany, Austria, Spain, the UK, and the USA.

Visual Art will remain as a brand and operate as an independent company within the Vertiseit group. The company brings a strong customer portfolio, particularly in the Quick Service Restaurants (QSR), Convenience, and Grocery sectors, along with strong international partners.

Visual Art's award-winning cloud service is built on the latest Azure-based technology, which can largely integrate with IXM Grid, the group's common back-end platform.

For Vertiseit, the acquisition means that the Company's long-term goals for the current target period, of SEK 200 million in ARR 2004, have been achieved. The annual recurring revenue (ARR) increases from around SEK 179 million to approximately SEK 254 million pro forma based on SaaS revenue at the end of Q2 2024. The acquisition provides the Company with a strong starting point for the new target period, from 2025 to 2032, during which Vertiseit aims to achieve an ARR of SEK 1 billion and to become the globally leading company within Digital In-store.

The Group pro forma full year 2023 (MSEK)		% change from Vertiseit stand-alone
Net revenue	692	99%
<i>of which recurring SaaS revenue</i>	241	35%
Annual recurring revenue (ARR)	228	42%
EBITDA	91	52%
EBITDA margin	13%	-4 percentage points

*Estimate of the group's pro forma for the specified period, which has not been subject to revision.*

### COMMENTS FROM CEO

*"We are very proud and pleased to acquire Visual Art, a company with a strong brand and a fantastic team of competent employees who have significantly contributed to the development of our industry. Visual Art has shown impressive organic ARR growth exceeding 20 percent annually. With this merger, we expand our installed customer base and increase our ARR by over 40 percent to more than SEK 250 million. In addition, several important customers in key segments like QSR, Convenience, and Grocery will be added, including McDonald's, Subway, Kesko, ICA, 7-Eleven, Circle K, Telia, Ocean Outdoor, Lego, Joe & the Juice, and NIO. The merger strengthens our leading position in Digital In-store in Europe through increased local presence in the Nordics, UK, and DACH, as well as contributing to our expansion in Southern Europe and North America, where we see great growth potential. We also see significant value in Visual Art's software, which strengthens our SaaS stack. Their award-winning Azure-based platform can integrate with our back-end platform IXM Grid, thereby accelerating our development pace. Together, we form a prominent player in our industry with the ambition to become a globally leading platform company. I also want to thank Bonnier Capital for their trust and commitment – without them, this deal would not have been possible." says Johan Lind, CEO of Vertiseit.*

### COMMENT FROM VISUAL ART

*"Visual Art and Vertiseit share a common ambition to become world leaders in Digital Signage, enabling companies to reach their audience through seamless communication and transforming how the physical and digital worlds interact. Visual Art will remain an independent company and brand within the Vertiseit group and continue our strong development with increased focus on software and sales through partners. I look forward to us accelerating innovation and technology development together, and I am proud that Visual Art and Vertiseit, together, can create the future of digital customer experiences and continue to drive our customers' business goals." says Pontus Meijer, CEO of Visual Art.*

### COMMENT FROM BONNIER CAPITAL

*"Bonnier Capital has been following the Digital In-store market for some time, a sector that is experiencing structural growth. The investment in Vertiseit aligns with our strategy to invest in market-leading SME companies and complements the investments that we already have in our portfolio. We invested in Vertiseit in May and are impressed by the company's strong track record, leadership, and market position. Bonnier Capital sees a clear strategic fit between Vertiseit and Visual Art, two very well-managed companies that complement each other well in terms of organization, geography, customers, and their market offerings. We have actively worked to facilitate this deal, which creates a leading player in Digital In-store, and we look forward to continuing to support the combined company through our work on Vertiseit's board."* says Carl Backman, CEO of Bonnier Capital and incoming board member of Vertiseit, subject to approval by the general meeting.

## **DIRECTED ISSUE OF SHARES AND WARRANTS**

### **Issue of shares**

The Board of Directors of Vertiseit has today resolved to carry out a Directed Issue of 5,914,719 B-shares at a subscription price of SEK 4,220 per B-share, subject to subsequent approval by an extraordinary general meeting. The issue is directed to Bonnier Capital and some of the Sellers, deviating from shareholders' preferential rights.

Bonnier Capital is an existing shareholder in Vertiseit. The Company believes it is favorable for Vertiseit that Bonnier Capital, as an institutional investor, increases its holding and take on responsibility as a long-term owner in the Company.

The newly issued shares in the Directed Issue will be issued at SEK 42.20 per share, which is based on a discount of five percent to the volume-weighted average price of Vertiseit's B share ("VERT B") on the Nasdaq First North Growth Market over 90 trading days from May 13 to September 17, 2024.

Through the Directed Issue the number of shares in Vertiseit increases from 22,912,912 to 28,827,631, distributed across 2,429,510 A-shares and 26,398,121 B-shares. The Company's share capital increases from SEK 1,145,645.60 to SEK 1,441,381.55. The Directed Issue entails a dilution of approximately 20.5 percent of the number of shares and approximately 11.7 percent of the number of votes in Vertiseit.

### **Issue of warrants**

In addition to the above, the board of directors has also decided to issue one million warrants at a subscription price of SEK 7.22 per warrant, subject to subsequent approval by an extraordinary general meeting. The right to subscribe for the warrants shall, deviating from shareholders' preferential rights, be reserved for the Sellers and entitles the warrant holders to subscribe for up to a total of one million B-shares in Vertiseit. Each warrant entitles the holder to subscribe for B-shares at a price of SEK 65.00 per share during the period from October 4, 2027, to October 22, 2027.

If the warrants are fully exercised, the number of shares in Vertiseit will increase from 28,827,631 to 29,827,631, of which 2,429,510 A-shares and 27,398,121 B-shares, and the Company's share capital will increase from SEK 1,441,381.55 to SEK 1,491,381.55. Full utilization of the warrants results in a dilution of approximately 3.4 percent of the number of shares and approximately 1.8 percent of the number of the voting rights in Vertiseit.

**Purpose and use of proceeds**

The purpose of the Directed Issue and the warrant issue is to partially finance the acquisition of Visual Art, for which the proceeds, after transaction costs, will be used.

**Reasons for deviating from shareholders' preferential rights**

Ahead of the resolution to carry out the Directed Issue, the board of directors have carefully considered alternative financing options, including the conditions for carrying out a new share issue with preferential rights for the Company's existing shareholders. The reasons for deviating from the shareholders' preferential rights are, on the one hand, an agreement with the creditors, who are also the Sellers, whereby part of the purchase price will be paid through the issuance of B-shares in the Company, and on the other hand, to raise additional capital to finance the Company's acquisition of Visual Art. Through Bonnier Capital's investment, the Company also gains a long-term institutional owner, further strengthening the Company's ownership base. The Company expects the acquisition to bring advantages related to the group's global competitive position in the Digital In-store market.

In addition, the board of directors assess that a preferential rights issue would involve significantly longer implementation time and increased costs compared to the Directed Issue, posing a risk that the Company would not be able to complete the acquisition of Visual Art within the relevant timeframe. The board of directors' overall assessment is therefore that the reasons stated for a directed issue outweigh the reasons for a preferential rights issue, and that carrying out a directed issue is in the best interest of both the Company and all shareholders. The subscription price for the shares has been determined by the board of directors based on negotiations with investors at arm's length. The subscription price was based on the volume-weighted average price (VWAP) over the last 90 trading days in the Company's share on Nasdaq First North Premier Growth Market until September 17, 2024, the day before the Company's bid for Visual Art was submitted, with a discount of 5 percent. The board of directors believes the subscription price reflects current market conditions and demand and is therefore considered market-based.

Furthermore, ahead of the resolution to carry out the warrant issue, the board of directors also carefully considered alternative financing. The reasons for deviating from shareholders' preferential rights in the warrant issue are an agreement with the Sellers, of which part of the purchase price would be paid through the issuance of warrants. The Company expects that the acquisition of Visual Art will provide advantages related to the group's competitive position in the Digital In-store market. The board of directors' overall assessment is therefore that the reasons presented for a warrant issue is in the best interest of both the Company and all shareholders.

**EXTRAORDINARY GENERAL MEETING**

An extraordinary general meeting will be convened to approve the board of directors' decision regarding the Directed Issue and the warrant issue. Notice of the extraordinary general meeting will be issued through a separate press release. A resolution regarding the issues requires approval by at least two-thirds of the votes cast and shares represented at the extraordinary general meeting, expected to be held around October 28, 2024. Several of Vertiseit's shareholders, representing 52 percent of the shares and 75 percent of the votes in Vertiseit, have expressed their support for the planned acquisition of Visual Art, the Directed Issue, the warrant issue, and the appointment of a representative for Bonnier Capital to the Company's board of directors and have committed to vote in favor of the relevant proposals at the extraordinary general meeting.

**LOCK-UP**

Executive officers at Vertiseit and the Sellers who participated in the Directed Issue have entered into lock-up agreements that, among other things, entail that they, with certain customary exceptions, have

committed not to divest the shares held after the completion of the Directed Issue for a period of 12 months commencing today.

In addition, the Company, in connection with the Directed Issue and with certain customary exceptions, has entered into a lock-up commitment entailing, among other things, that the Company has undertaken not to issue new shares in the Company within 180 days after the completion of the Directed Issue.

**ADVISORS**

Redeye AB is financial advisor to Vertiseit in connection with the issuances, and CMS Wistrand Advokatbyrå AB is the legal advisor to Vertiseit in connection with the acquisition and the issuances. Carnegie Investment Bank AB (publ) is the financial advisor and Setterwalls Advokatbyrå AB is the legal advisor to the Sellers in connection with the sale of Visual Art to Vertiseit.

**ABOUT VISUAL ART**

*Visual Art is a leading player in Digital Signage, with operations and offices in Europe and the USA, headquartered in Stockholm. The company was founded in 1997 and has since grown to become a global leader in Digital Signage, with approximately 75,000 software licenses in 39 countries. Its primary markets are in Europe and the USA, with global contracts and prominent clients such as McDonald's, Subway, Kesko, ICA, 7-Eleven, Circle K, Telia, Ocean Outdoor, Lego, Joe & the Juice, and NIO. The company has around 120 employees across eight countries, specializing in consultancy, concept, design, technology, and platforms. Visual Art generates annual recurring SaaS revenues of approximately 75 MSEK with growth exceeding 20 percent and a total turnover of around 345 MSEK in 2023.*

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**ABOUT VERTISEIT**

*Vertiseit is a leading Digital In-store company offering the In-store Experience Management (IXM) SaaS platforms Grassfish and Dise. The platforms enable global brands and leading retailers to strengthen the customer experience by offering seamless customer journeys through connecting the physical and digital meeting. The company has around 150 employees in Sweden, Norway, Denmark, Austria, Germany and UK. During the period 2012-2023, Vertiseit performed an average profitable growth of recurring SaaS revenue (ARR) of 53 percent (CAGR). For the full year of 2023, the group's net revenue amounted to SEK 348 million, with an adjusted EBITDA margin of 17 percent. Since 2019, Vertiseit's B-share is listed on Nasdaq First North Growth Market.*

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*This information is information that Vertiseit is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2024-10-02 15:12 CEST.*

**IMAGE ATTACHMENTS**[Visual Art Software Award 2024](#)[Johan Lind](#)[Pontus Meijer](#)[Carl Backman](#)**ATTACHMENTS**

[Vertiseit acquires Visual Art and Bonnier Capital becomes the the largest shareholder of the company through a directed share issue](#)