

VBG Group consolidates its operations in Canada

VBG Group AB (publ.) has signed an agreement with a local consortium of contractors, in Toronto, to acquire land to establish a new production facility.

VBG Group's division Mobile Thermal Solutions (MTS) develops, manufactures, and sells advanced heating, ventilation and air conditioning systems tailored for a diverse array of vehicles, including off-road and specialty vehicles, buses, and defense vehicles. Our operations are supported by production and engineering facilities located in Toronto (Canada), York (PA, USA), Wroclaw (Poland), and Ningbo (China). The operations in Toronto, are currently conducted in three production facilities.

VBG Group plans to merge all MTS operation in Toronto into one common production facility. By establishing a new joint and modern production facility, we create a solid foundation for continued growth and streamlining of MTS operations in North America.

The expected purchase price for the land amounts to 53 million CAD. The investment in the construction amounts to additionally 55 million CAD. The construction of our new production facility is planned to be carried out through 2025 – 2026. By the consolidation of these three production facilities, we will gain considerable efficiency gains. It is a strategically important investment to both consolidate and further develop the brand Mobile Climate Control's already strong market position within the Off-road segment.

Due to the higher level of investment over the next three years, VBG Group AB (publ) plans to take up a supplemental credit facility to cover the capital requirements.

With the new financing, the group will ensure that both organic growth and future acquisitions can be financed via own cash flow and existing revolving credit facility.

Contact

Anders Erkén

President & CEO VBG Group

Telephone: +46 521 27 77 88

E-mail: anders.erken@vbggroup.com

About Us

VBG Group AB (publ), domiciled in Vänersborg, is the Parent company of an international engineering Group with wholly owned companies in Europe, North America, Brazil, South Africa, India, Australia and China. The Group's operations are divided into three divisions – Truck & Trailer Equipment, Mobile Thermal Solutions and Ringfeder Power Transmission – with products that are marketed under strong, well-known brands. VBG Group AB's Series B share was introduced on the stock exchange in 1987 and is listed today on the Nasdaq Stockholm Mid Cap list.

The information in this report is of the type that VBG Group AB is obligated to disclose in accordance with the EU Market Abuse Regulation. The information was submitted for publication in Swedish at 09:00 am CEST on March 28, 2024

This information is information that VBG Group AB (publ) 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 2024-07-19 09:00 CEST.

Attachments

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