

Company AS MERKO EHITUS
Type Company Release
Category Other corporate action
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Currency

Title Acquisition of a shareholding (Connecto Eesti AS)

On 2 June 2021, AS Merko Ehitus Eesti, part of AS Merko Ehitus group, signed a contract with Aardekapp OÜ to acquire a 35% holding (192,500 shares) in Connecto Eesti AS, which designs, builds and maintains electrical, gas and telecommunications networks.

The approval of Estonian Competition Authority is needed for the transaction to take effect.

The purpose of the acquisition is to enter into low- and medium-voltage networks, gas networks and telecommunications networks business and ensure better opportunities for the development of the company's electrical construction business line that has until now mainly focused on the construction of high-voltage power systems.

After acquisition of the shares, the electrical construction business line of AS Merko Infra, 100% daughter company of AS Merko Ehitus Eesti, will merge with Connecto Eesti AS. In the future the services will be provided under Connecto brand.

The transaction is not to be treated as a significant transfer for the purposes of the "Requirements for Issuers" section of the NASDAQ OMX Tallinn Stock Market rules, and is also not to be considered a transaction with a related party. AS Merko Ehitus, AS Merko Ehitus Eesti and AS Merko Infra management board and supervisory board members have no economic interests in the transaction.

AS Merko Ehitus Eesti (merko.ee (<https://merko.ee/en/>)) is Estonian leading construction company, which offers construction services in general construction, civil engineering, electrical and residential construction and develops residential real estate. To ensure the best quality and convenience for home buyers, Merko manages all phases of the development: planning, design, construction, sales and service during the warranty period.



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AS Merko Ehitus (group.merko.ee (<https://group.merko.ee/en/>)) group consists of AS Merko Ehitus Eesti in Estonia, SIA Merks in Latvia, UAB Merko Statyba in Lithuania and Peritus Entreprenør AS in Norway. Besides providing construction service as a main contractor, the group's other major area of activity is apartment development. As at the end of 2020, the group employed 666 people, and the group's revenue for 2020 was EUR 316 million.

