ADDvise

PRESS RELEASE
Stockholm 17 January 2022

ADDvise signs Letter of Intent to acquire Surplus Diabetic, Inc.

ADDvise Group AB (publ) has signed a Letter of Intent with the shareholders of Surplus Diabetic, Inc. (”Surplus Diabetic”) regarding an acquisition of 100 percent of the shares in Surplus Diabetic.

Surplus Diabetic is an American medtech company, specialized in supplying the U.S. market with diabetes products, such as glucose monitors, insulin and test stripes. Sales are made to pharmacies, wholesalers and directly to consumers.

Surplus Diabetic is based in Deerfield Beach, Florida. The revenue for the last twelve months as of November 30, 2021, amounted to approximately USD 18.1 million, with an adjusted EBITDA of approximately USD 3.2 million, corresponding to an adjusted EBITDA margin of approximately 17.7 percent.

ADDvise Group’s financial performance on a proforma basis rolling twelve months Q3 2021 including signed letter of intents to acquire Surplus Diabetic, Poly Pharmaceuticals Inc and JTECH Medical Industries, Inc. amounts to SEK 855 million with an adjusted EBTIDA of SEK 145 million corresponding to an EBITDA margin of 17.0 percent.

The purchase price for Surplus Diabetic amounts to a total of USD 19.5 million, divided into an initial purchase price of USD 16.0 million consisting of USD 15.5 million in cash and an interest-free promissory note of USD 0.5 million, and two potential earn-outs of maximum USD 1.6 million and USD 1.9 million respectively, given that the sellers achieve certain predetermined targets. The acquisition is financed with own funds.

- Acquiring Surplus Diabetic enables us to enter the important diabetes market in the U.S. One major challenge within healthcare is the increasing number of type 2 diabetes. More than 10 percent of the American population has diabetes, and the number is growing. With Surplus Diabetic as part of our group we will broaden our portfolio of products to diagnose and treat chronical diseases, says Rikard Akhtarzand, CEO of ADDvise Group AB, in a comment.

The acquisition is subject to ADDvise due diligence and that the parties agree to enter into a share purchase agreement. The share purchase agreement and completion of the acquisition is scheduled to be completed during Q2, 2022.

Adviser

Mangold Fondkommission AB is acting as financial adviser to ADDvise in the acquisition.

For further information, please contact:

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Important information:

This information is by ADDvise Group AB required to disclose under the EU Market Abuse Regulation. The information was submitted for publication on 17 January 2022 at 07:30 CET.

About ADDvise Group

ADDvise Group AB (publ) is a leading supplier of equipment to healthcare and research facilities. The group consists of two business areas, Lab and Healthcare. Sales are global. The Group has a clear acquisition strategy with the aim of raising shareholder value and expand the business – both geographically and product wise. ADDvise Group's shares are listed on Nasdaq First North Premier and Mangold Fondkommission AB, +46 8 503 015 50, CA@mangold.se, is the Company's Certified Adviser. Additional information is available at www.addvisegroup.com.