



# AddLife acquires Austrian Biomedica – international expansion on 13 new markets

Life science group AddLife is continuing on its growth journey and is now taking an important step in its expansion and internationalisation strategy by acquiring Austrian Biomedica Medizinprodukte GmbH (“Biomedica”). Biomedica, which is the parent company of a group with sales of about EUR 65 million, engages in operations in 13 countries in Europe and has about 280 employees. Just like AddLife, Biomedica supplies products and services in the fields of laboratory technology and medical technology primarily to publicly funded healthcare.

The total purchase price for the acquisition of Biomedica is about EUR 39 million, of which 75 percent is paid in cash through existing credit facilities and 25 percent through newly issued Class B shares in AddLife. The acquisition is therefore conditional on approval of the issue in kind by the Extraordinary General Meeting in AddLife. Principal shareholders with votes corresponding to about 14.1 percent of the shares and about 34.9 percent of the votes have undertaken to vote for the issue in kind at the Extraordinary General Meeting. Notice of the Extraordinary General Meeting on 20 December 2018 will be announced in a separate press release. The acquisition is expected to be completed in December 2018.

The Board of Directors of AddLife also decided on a new share issue with preferential rights for AddLife’s existing shareholders to raise about SEK 500 million, with the subsequent approval on the Extraordinary General Meeting. The purpose of the rights issue is to raise capital to continue to pursue AddLife’s growth strategy and to carry out more strategic acquisitions.

*“The acquisition of Biomedica is an important step in our continued growth journey, a key gateway into the European market for AddLife. The acquisition is completely in line with our ambition to expand geographically and the business-related similarities between AddLife and Biomedica are great. We will have the opportunity to add products and services on markets with a population that is more than four times as large as the one we reach today,”* says Kristina Willgård, CEO of AddLife.

AddLife’s home market is primarily the Nordic region, but the group is also active in the Baltic region, the Benelux countries, Italy, China and the US. Through the acquisition of Biomedica, AddLife takes an essential step beyond the Nordic region, which is in line with its previously announced internationalisation strategy.

*“To become part of AddLife is the next step in developing our presence in Central and Eastern Europe. The entire Biomedica team is looking forward with enthusiasm to further grow our business by taking advantage of the synergies that emerge from being part of the AddLife group. I personally look forward to contribute as CEO of Biomedica to the continuous growth and success of the AddLife group and to benefit from this achievements as AddLife shareholder,”* says Stefan Marenzi, CEO of Biomedica.

The acquisition of Biomedica is the tenth corporate acquisition that AddLife has carried out since it was listed on the Stockholm Stock Exchange in 2016.

## Biomedica in brief

Biomedica is a privately owned company that was founded in 1978 in Austria and has grown both organically and through acquisitions since its inception. Like AddLife, Biomedica is primarily active in laboratory technology (about 60 percent of sales) and medical technology (about 40 percent of sales). Biomedica has a similar business model, structure and market offering as AddLife. Biomedica’s offering, like AddLife’s, largely consists of products and services for publicly funded healthcare sold through public procurement processes both locally in the various countries.

Of Biomedica’s geographic markets in Central and Eastern Europe, the six biggest ones account for more than 80 percent of the company’s sales: Austria, Czech Republic, Poland, Hungary, Slovakia and Switzerland. Biomedica’s internationalisation has been an approach to attract suppliers by being able to offer a larger geographic distribution network.

For the financial year ending in March 2018 Biomedica’s sales totalled about EUR 65 million with an EBITA of about EUR 4.4 million. The company has about 280 employees and its headquarters are located in Vienna, Austria, where its common business, marketing and logistics and inventory management functions are located. Biomedica has a decentralised organisation run by its own subsidiaries with a CEO who reports directly to management. Biomedica’s current CEO, who is also the principal shareholder, and VP will continue to be involved in the group for at least 5 years and will simultaneously be a major shareholder in AddLife.

## Background, reasons and expected effects of the acquisition

Through the acquisition of Biomedica, AddLife takes an essential step beyond the Nordic region. The acquisition of Biomedica will provide AddLife with a strong base in Europe and expand its geographic market from covering about 32 million to about 164 million people. The acquisition of Biomedica thereby sets the stage for long-term profitable organic and acquisition-driven growth in new markets.

In addition, Biomedica holds distribution rights for several of AddLife’s current suppliers within the Labtech business area, thereby strengthening AddLife’s position in the European market. At the same time, Biomedica and AddLife offer a complementary line of products in medical technology, which in the long term will create cross-sales opportunities and revenue synergies.

Biomedica will remain as a group, but future earnings will be reported proportionally in AddLife’s two business areas, Labtech and Medtech. Today the distribution within Biomedica is about 60/40 based on sales during the 2017/18 financial year.

Based on AddLife’s net sales and EBITA, which for 12 months as at 30 September 2018 amounted to SEK 2,465 million and SEK 250 million, respectively, the acquisition represents an increase in sales of about 26 percent to about SEK 3,115 million and an increase in EBITA of about 18 percent to approximately SEK 294 million. The presented financial information is solely for illustrative purposes and should not be viewed as pro forma accounts.

## For more information, please contact

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*AddLife is an independent player in the Life Science industry that offers high-quality products, services and advice to both the private and public sector, mainly in the Nordic region. AddLife has about 600 employees in some 30 operating subsidiaries. The group currently has net sales of around SEK 2.5 billion. AddLife shares are listed on NASDAQ Stockholm.*

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