

## Karo Pharma acquires Sylphar International NV for EUR 290m and intends to carry out a rights issue of approximately EUR 200-250m

Karo Pharma Aktiebolag (publ) (the "Company" or "Karo") has today entered into an agreement to acquire all of the shares in Sylphar International NV ("Sylphar") and, direct and indirect, all of the shares in Pro Teeth Whitening Co Limited ("Pro Teeth Whitening"), Nutravita Limited ("Nutravita") and Alpha Foods BV ("Alpha Foods", together the "Sylphar Group") from Vendis Capital and Robin List, Sylphar's founder, for EUR 290m (the "Transaction"). The Transaction is expected to contribute positively to Karo's market position and further enhance Karo's strong platform for continued growth, particularly in the digital marketplace.

### **Sylphar Group in brief**

Sylphar is a Belgium based fast-growing and digital-first platform with a proven ability to grow and internationalise brands in the consumer health and beauty markets. Sylphar offers a portfolio of leading brands in these markets mainly sold through online marketplaces, web shops and e-pharmacies. Sylphar generated sales of approximately EUR 64m, October 2020 to September 2021<sup>1</sup>. The Sylphar brands are distributed in more than 50 countries worldwide with the support of local distribution partners and / or through online platforms. The major markets of the company include UK, Germany, Italy, Spain and France.

The three biggest brands within the portfolio are Nutravita, Alpha Foods and Remescar. Nutravita is an innovative and best-selling digital-first brand in the VMS category with significant success on Amazon offering a range of products to optimize everyday health & wellness. Alpha Foods is a loved and fast-growing brand in the VMS category that has been able to build strong brand awareness and followership through its high-quality vegan lifestyle & superfood products fuelled by differentiated capabilities in digital marketing. Remescar is a skincare brand that offers corrective and instant visible skincare solutions. With its unique technology, clinically proven claims and effective ingredients, Remescar has undergone a successful transformation to a multi-channel brand with a strong digital footprint over the last few years.

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<sup>1</sup> The information on sales is preliminary.

“Sylphar is highly complementary to Karo with an excellent fit to our strategy and vision. The acquisition brings fast growing consumer oriented brands and cutting edge team excelling in e-commerce and digital marketing. We are impressed by Sylphar’s development, market positions and strong leadership team. The combination is a real win-win where we jointly will benefit from the strengths of the respective companies”, says Christoffer Lorenzen, CEO of Karo.

“We look forward to joining forces with Karo and see this as a unique opportunity to continue the development of our brands, people and business as part of the Karo organisation. The two companies are highly compatible, and our team is excited about contributing to Karo’s continued growth and expansion story”, says Robin List, CEO of Sylphar.

## **The Transaction in brief**

Karo is to acquire the Sylphar Group for EUR 290m on a cash and debt free basis (Enterprise Value), and a minor additional payment amounting to EUR 10m may be paid if certain conditions are met in relation to future growth targets for the Sylphar Group. The Transaction is expected to be completed during January 2022. The acquisition will be financed by way of additional credit facilities, including an equity bridge loan facility with a tenor of twelve (12) months, which will be provided by certain of the Karo’s existing bank lenders.

The intention is to, following completion of the Transaction, repay the bridge loan facility with proceeds from a new share issue in an approximate amount of EUR 200-250m with preferential rights for Karo’s existing shareholders (the “Rights Issue”). The Board of Directors of Karo intends to resolve on the Rights Issue by power of authorisation from Karo’s 2021 annual general meeting. The Rights Issue, for which the terms will be announced at a later stage, is expected to be carried out during the first half of 2022. The Transaction is subject to customary competition authority approvals being received.

Karo’s largest shareholder, Karo Intressenter AB, holding shares representing approximately 79.85% of the outstanding shares and votes in Karo<sup>2</sup>, has expressed its support for the Transaction. Karo Intressenter AB will also undertake to subscribe for its pro-rata share of the Rights Issue and guarantee the subscription for the remaining part of the Rights Issue.

Karo estimates that the Transaction brings synergy potential for the Company, predominantly in the form of sales synergies. The transaction further enables Karo to build a fast-growing pan-European consumer healthcare company with distinct category and brand positions. The transaction will add strong assets to the Company as well as capabilities and expertise within e-commerce and digital transformation.

## **For further information, please contact:**

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<sup>2</sup> 79.85% based on the total number of shares and votes in Karo. The number of outstanding shares in Karo amount to 225,033,204 shares.

This information is such that Karo Pharma Aktiebolag (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 indicated above, on 23 November 2021 at 00:20 CET.

### **About Karo Pharma**

Karo Pharma delivers smart choices for everyday healthcare. We own and commercialize branded, original over-the-counter products and prescription medicines. Our products are available in more than 60 countries, with Europe and the Nordic region as our core markets. Karo Pharma is headquartered in Stockholm, Sweden and listed on Nasdaq Stockholm Mid Cap.

### **About the Sylphar Group**

Sylphar is a Belgium-based company that develops and markets OTC products worldwide, focusing on bringing innovative and consumer friendly products to the global market. Within its portfolio, Sylphar has four main brands across categories of VMS and beauty: Nutravita, Alpha Foods, Remescar and iWhite.

### **About Vendis Capital**

Founded in 2009, Vendis Capital is an independent private equity firm specializing in the consumer goods sector in Europe. In partnership with experienced entrepreneurs and managers, Vendis aims to invest in small to medium sized consumer companies in order to help them realise their potential for growth and value creation. Vendis invests in Belgium, Denmark, Sweden, France, the Netherlands, and Germany. For more information, visit [www.vendiscapital.com](http://www.vendiscapital.com).