



AddLife expands into a new segment by acquiring Vision Ophthalmology Group, with a turnover of around SEK 700 million

AddLife continues the expansion in Europe and has acquired Vision Ophthalmology Group GmbH (VOG), a leading European distributor and manufacturer in ophthalmic surgery, eye surgery. VOG has operations in Switzerland, Germany, the UK and Poland. The Group has a turnover of approximately EUR 70 million and has 190 employees. The initial purchase price is EUR 165 million, of which 50 percent is being paid in cash and 50 percent via existing repurchased and newly issued class B shares. An additional consideration of a maximum of EUR 18 million may become payable. The takeover is expected to take place on 8 April 2021.

The acquisition of Vision Ophthalmology Group is a strategically important acquisition that adds a new therapeutic area to AddLife's product portfolio. Ophthalmology is a global and attractive growth market that is growing due to technological development and a growing, aging population with chronic diseases.

VOG is a leading independent European distributor of high-quality solutions for ophthalmic surgery. The Group provides products and services relating to eye surgery, such as cataracts and glaucoma treatment. The conditions for growth are created in close cooperation with surgeons and medical professionals catering for a segment with ever-increasing needs by offering new and specialised products to treat various eye diseases. VOG sells products from leading manufacturers as well as private label products and customised operating room kits manufactured by the company in Germany.

"We have been interested in the ophthalmology market for some time. The segment has all the critical characteristics to fit our business model, and it strengthens our position as an independent European niche player in Life Science. VOG has a strong management team that brings valuable experience in ophthalmology. This gives us a stable platform and good conditions to grow both organically and via acquisitions in an interesting area," says Kristina Willgård, CEO of AddLife.

VOG has a well-established and attractive supplier base as well as solid customer relationships in markets with a population of over 200 million people. The Group also adds growth opportunities through its private label portfolio. Switzerland is the largest market, accounting for 42 percent, while Germany accounts for 40 percent and the UK and Poland account for 9 percent each.

"We welcome AddLife as our new owner and are very enthusiastic about developing VOG together with a long-term owner. In 2019, we started extensive transformation work to lay the foundation for profitable growth and expand into new European markets. With the support of AddLife's network and experience, we see ample opportunities for profitable growth," says Dario Aganovic, CEO of Vision Ophthalmology Group.

Financials

VOG achieved approximately EUR 70 million sales in the 2020 financial year, with pro-forma EBITDA of approximately EUR 13 million. The COVID-19 pandemic meant fewer operations were carried out in 2020, which affected the Group negatively. Sales and earnings are expected to recover in 2021, driven by the expected high demand for eye surgery (COVID-19 deferred care needs), strong gross margins and the full impact of already implemented savings programmes.

VOG is being acquired from Stirling Square Capital Partners. The company is being acquired on a debt-free base and existing shareholders will convert loans into equity in connection with the transaction. The initial purchase price for the acquisition of VOG is EUR 165 million, of which 50 percent is being paid in cash financed through existing and expanded credit facilities and 50 percent is being paid using 1,500,000 existing repurchased class B shares and 3,862,216 newly issued class B shares in AddLife. The transaction means that the total number of AddLife shares after the acquisition will be 118,360,508 (114,498,292) and that the number of repurchased B shares after the acquisition will decrease from 2,010,845 to 510,845 B shares. The price for each repurchased B share corresponds to approximately SEK 157. The B shares will be transferred and issued through a board decision with the support of authorisations from the Annual General Meeting on May 7, 2020. The transaction also means that

AddLife's share capital increases from 58,309,339.55 SEK to 60,276,209.62 SEK. Acquired shares in AddLife will be subject to a 12-month lock-up from the date of the takeover, with the customary exceptions.

An additional cash consideration of a maximum of EUR 18 million may become payable by 2024 at the latest, based on the financial results achieved by the business up until 2023.

Based on AddLife's net sales and EBITA for 2020, the acquisition results in an increase in sales of approximately 13 per cent, to around SEK 6 billion, as well as an increase in EBITA of approximately 16 percent, to around SEK 930 million.

The above figures are to be seen as indicators, and AddLife will provide pro-forma accounts on 28 April, in conjunction with the publication of the Q1 report.

Schedule

The takeover is expected to take place on 8 April 2021.

Conference call

AddLife will hold a short analyst call on Teams at 12 p.m CEST on 8 April. This will also be recorded and made available online. If this is your first time using Teams, you will be asked to download an app.

[To attend the meeting, please click here >>](#)

For further information, please contact:

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Brief overview of VOG

VOG is a leading independent European player in the market for high quality solutions for ophthalmology and eye surgery. The group provides products, service and advice relating to eye surgery, such as for the treatment of glaucoma and cataracts.

VOG strives to enhance vision and thereby quality of life of the patients by ensuring surgeons always have access to the best and most effective ophthalmic products and services. VOG achieves that by building close partnerships with clinicians and OEMs while constantly seeking to understand the changing needs of patients and the technology development. The company has approximately 190 employees and is based in Rossdorf, Germany. VOG is decentralised and have local subsidiaries, with the responsible country manager reporting directly to Group Management. The group utilizes economies of scale and scope through common support functions as well as product management and sourcing function, based in Germany, where the group also has its own manufacturing facility producing customised operation room kits distributed through both own subsidiaries and external distribution partners. The group's common finance department is based in Stockholm, Sweden.

AddLife is an independent player in the Life Science industry that offers high-quality products, services and advice to both the private and public sectors, mainly in the Nordic region and rest of Europe. AddLife has about 1,100 employees in some 50 operating subsidiaries. The Group currently has net sales of around SEK 5 billion. AddLife shares are listed on Nasdaq Stockholm.

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