

MEDICA SPA ACQUIRES 51% OF SPINDIAL SPA, SPECIALIZED IN THE DISTRIBUTION AND TECHNICAL ASSISTANCE OF MEDICAL DEVICES FOR HOSPITAL AND HOME DIALYSIS AND IN THE MANAGEMENT OF DIALYSIS CENTERS

Medolla (MO), 21 July 2022 – Medica S.p.A., an integrated Italian biomedical and MedTech group with a strong international footprint, announces the acquisition of 51% of the share capital of Spindial S.p.A., specialized in the distribution and technical assistance of medical devices for hospital and home dialysis and in the management of dialysis centers.

Luciano Fecondini, founder and Chairman of Medica commented: *“we are pleased to announce that Medica S.p.A. and Spindial S.p.A. join forces to achieve significant growth in Spindial revenues in Italy and beyond. Medica will make available its important product portfolio and Spindial its proven commercial capacity. As proof of our confidence in his management skills, we confirm Marcello Grondelli as CEO, confident that with the support of the new directors Marco Fecondini and Giovanni Plasmati he will be able to achieve the ambitious growth targets we have set for ourselves.”*

Ugo Grondelli, founder of Spindial, commented: *“Combining the company with Medica will lead to an increase in size which is fundamental in the biomedical industry. This new critical mass will strength the competitiveness of Spindial relative to the multinational companies operating in this market. Moreover, the innovative products of Medica will results in increased revenues and profitability. Also, with the same management in place we send an important message of continuity to clients, suppliers and the whole organization.”*

Transaction rationale

Founded in 2000 by the Grondelli family, Spindial S.p.A., based in Collecchio (PR), has established itself over time in the hospital and home dialysis sector, both through the distribution and technical assistance of medical equipment and disposable products to the Local Health Authorities in Italy and through the management of dialysis centers accredited and under a Public and Private Partnership.

The acquisition of Spindial S.p.A. contributes to the growth path of the Medica Group, envisaged since its listing on Euronext Growth Milan, which in this way will be able to integrate the high commercial skills of Spindial S.p.A. with the broad range of Medica products and strengthen its presence on the Italian market. The integration of Spindial S.p.A. within the perimeter of the Medica Group will therefore have a significant strategic value.

The revenues of Spindial S.p.A. as of 31 December 2021 amounted to approximately € 15.5 million and the EBITDA adjusted (non-recurrent costs not included) of approximately € 2.0 million, with expected growth in the short to medium term both in terms of revenues and in terms of EBITDA and EBITDA margin.

With the acquisition of Spindial S.p.A., Dialpoint Srl, 60% owned by Spindial S.p.A., will also enter Medica's consolidation perimeter, whose revenues as of 31 December 2021 amounted to approximately € 0.8 million and EBITDA of approximately € 0.1 million.

Transaction overview

Medica acquired 40% of the shares of Spindial S.p.A. from Spindial Europe SA for a consideration of € 4.8 million and subscribed to a share capital increase in Spindial S.p.A., with the waiver of the option right by Spindial Europe SA, for reach 51% of the ordinary shares of Spindial S.p.a, for 2.7 million euros. The total consideration of 7.5 million euros (equal to a multiple EV / Ebitda adjusted 2021 of 9x) is subject to adjustment based on the net financial position and net debt exposure at the closing date.

The seller has provided guarantees in favor of Medica SpA as per practice for transactions of this nature, size and complexity.

Marcello Grondelli will continue to head Spindial S.p.a. as President and CEO, in addition to the directors Marco Fecondini (managing director of Medica) and Giovanni Plasmati (Group CFO and IR of Medica).

Medica financed the acquisition partly using own cash and partly through a bank loan.

Medica Profile

Medica Group is operating since 1985 in the biomedical district of Mirandola (Italy). Development of innovative products for blood purification has always been company's core business. Thanks to the activity of two extremely dynamic R&D groups (medical equipment, membranes and disposable), the Group competes successfully in several markets, namely:

- **Medical** (dialysis, CRRT, ECCO2, Apheresis, DFPP, CHF, HIPEC, pre-transplant organ perfusion, bioregenerative medicine, gastroenterology, urodynamics, oxygen humidification).
- **Microbiological purification of water**
- **Industrial automation** for the biomedical sector.

R&D focus has been integrated over the years with a highly automated production systems in five different facilities, four in Italy and one in Tunisia, and two commercial entities (in US and in China).

The key success factors of the Group are:

- **extrusion of hollow fiber membranes** for hemofiltration, plasmapheresis, cascade filtration, oxygen humidification, ultrafiltration and microfiltration of water
- **vertical integration**, proved by the ability to manage not only the design and development of medical disposables and equipment, and the development of the automation technologies required for their production as well.
- **International recognition with significant share of export**, with sales in over 60 countries.



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The Medica group closed its consolidated financial statements for 2021 with revenues of 43.8 million euros (44.1 million euros in 2020), EBITDA of 9.9 million euros (9.5 million euros in 2020), EBIT of € 5.8 million (€ 5.6 million in 2020) and net profit of € 5.0 million (€ 3.8 million in 2020).

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