

Press Release

24 September 2024 17:45:00 CEST

THIS PRESS RELEASE MAY NOT BE ANNOUNCED, PUBLISHED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, IN OR INTO AUSTRALIA, HONG KONG, CANADA, NEW ZEALAND, SWITZERLAND, SINGAPORE, SOUTH AFRICA, THE UNITED STATES OR ANY OTHER JURISDICTION WHERE SUCH ACTION IS WHOLLY OR PARTLY SUBJECT TO THE LEGAL RESTRICTIONS. THIS PRESS RELEASE DOES NOT CONSTITUTE AN OFFER TO ACQUIRE ANY SECURITIES IN HEMPLY BALANCE HOLDING AB (PUBL). PLEASE ALSO SEE THE "IMPORTANT INFORMATION" SECTION BELOW.

Hemply Balance Holding AB (publ) has entered into a letter of intent to acquire Dendrio Solutions SRL - a profitable and fast-growing serial acquirer

Hemply Balance Holding AB (publ) ("Hemply Balance") has entered into a letter of intent to acquire Dendrio Solutions SRL ("Dendrio"). Dendrio's net sales in 2023 amounted to SEK 710 million. The transaction's completion is subject to customary due diligence, the conclusion of a share purchase agreement, and the approval of the transaction by the Extraordinary General Meeting of Hemply Balance.

In 2023, Dendrio reported net sales of approximately SEK 710 million with a profit after financial items of SEK 25 million. In 2024, net sales are forecast to amount to SEK 750 million, with an EBITDA margin of 6%. The letter of intent stipulates that the purchase price for Dendrio amounts to between SEK 425 million and SEK 453 million and will be paid with newly issued shares in Hemply Balance. Assuming that the transaction is completed, existing shareholders in Hemply Balance will own 4% after the transaction, which would mean that the existing shareholders in Hemply Balance will receive a theoretical shareholder value of approximately SEK 17,7 – 18,9 million, corresponding to SEK 0,113 – 0,12 per share.

Daniel Hallenberg, Member of the Board of Directors and Acting CEO of Hemply Balance:

"We are pleased to announce the transaction with Dendrio, a successful and fast-growing



company in a sector with great potential. The principal shareholders of Dendrio will remain the principal owners, and Dendrio will have the opportunity to create value for its shareholders as a listed company. If the transaction is completed, Hemply Balance's current shareholders will have a shareholding in Dendrio that is theoretically worth approximately SEK 17.7 – 18.9 million, and we expect this value to grow over time."

Dendrio is owned by Bittnet Group, which is listed on the Bucharest Stock Exchange, Agista, a Romanian investment fund, and private owners Constantin Savu and Cătălin Georgescu (the "Sellers"). After the transaction is completed, Dendrio will be listed on the Nordic Growth Market ("NGM") in Stockholm, with the goal of also being listed on Börse Stuttgart in Germany.

Key facts about Dendrio Solutions SRL

- Founded in 1999 in Romania, Dendrio specialises in providing corporate customers with customised IT infrastructure and services. Furthermore, Dendrio has an active acquisition agenda and an ambition to grow internationally in the coming years.
- Dendrio's offering includes comprehensive IT solutions, which include general consulting, IT assessments, implementation and migration, maintenance and support, and infrastructure optimisation.
- Dendrio is expanding and intends to acquire market-leading companies continuously.
- Dendrio has experienced substantial growth in recent years through strategic acquisitions, including leading market players such as software integrator Gecad Net and IT infrastructure specialist Crescendo. In addition, Dendrio has acquired Top Tech and 2net, regional companies with over 30 years in the market, and recently Dataware, an internationally recognised company recognised by Fujitsu for its advanced solutions. Dataware has also obtained authorisation for 5G equipment, essential for developing Dendrio's services.
- Demand for Dendrio's solutions is estimated to remain high:
 - o **Public sector digitalization:** The digitalization of the public sector in Romania and related markets is growing rapidly, and Dendrio has established itself as a reliable, in- demand, and experienced player. European programmes, such as the National Recovery and Resilience Plan (PNRR), actively accelerate development.
 - o **Expansion in the private sector:** The private sector in the region is also



HEMPLY

BALANCE

experiencing strong growth, mainly driven by the increasing need for digitalization in the entrepreneurial sector. This demand is further supported by various EU projects aimed at promoting technological progress and innovation.

Dendrio's Owner

Bittnet Systems SA: 84,7 %

Agista Investments SA: 11,8%

Constantin Savu och Cătălin Georgescu: 3,5 %

Dendrio's CEO

Cristian Herghelegiu

Dendrio's Board of Directors

Constantin Savu, Catalin Georgescu, Marius Tulea och Iulian Zamfir.

Cristian Herghelegiu, CEO of Dendrio: *"With the reverse acquisition of Hemply Balance, we will increase Dendrio's visibility and continue to build value as a publicly traded company over time. Our ambition is to carry out a dual listing on Börse Stuttgart. In recent years, our delivery areas have experienced high growth and customer satisfaction. Through acquisitions and geographic expansion, we aim to become a leader in Europe in our core segments."*

Marcus Bonsib, Chairman of the Board of Directors of Hemply Balance: *"Since the autumn of 2023, when the new Board of Directors of Hemply Balance took office, we have had the ambition to leverage our expertise in reverse acquisitions to facilitate the smooth and efficient listing of a larger, high-quality company while adding significant value to the shareholders of Hemply. We believe that Dendrio has just begun its growth journey and expect that the listing on NGM will enable Dendrio to expand even faster across Europe through acquisitions."*

The transaction, in brief

- Dendrio and Hemply Balance have signed a letter of intent, in which the purchase price amounts to approximately SEK 425 – 453 million, which will be paid through newly issued shares in Hemply Balance. After the non-cash issue, the valuation amounts to approximately SEK 442 – 472 million. Hemply Balance and Dendrio intend to enter a share purchase agreement in 2024.
- Following the transaction, the Sellers will own 96% of the shares in Hemply Balance. The existing shareholders of Hemply Balance will thus own 4% of the shares in Hemply Balance, which will become the parent company of Dendrio



HEMPLY

BALANCE

Solutions SRL after the transaction. If the transaction is completed, the existing owners of Hemply Balance will receive a theoretical value of approximately SEK 17,7 – 18,9 million.

- The transaction is conditional upon, among other things:
 - That the operating company Hemply Services AB is divested or wound up and that Hemply Balance Holding AB will have a net cash position of SEK 750,000 when entering the share purchase agreement.
 - That an Extraordinary General Meeting of Hemply Balance approves the transaction and the divestment of Hemply Services AB.
- Major shareholders in Hemply Balance, who represent over 50% of the capital and vote in Hemply Balance before the transaction, have irrevocably undertaken to vote in favour of the acquisition of Dendrio at an Extraordinary General Meeting.
- In connection with the acquisition, Hemply Balance shall, following NGM's regulations, undergo a process to ensure that the company meets NGM's listing requirements.
- An information memorandum will be prepared, including financial information for 2023 and Q3 2024 and other details about Dendrio, including the market in which they operate and risks.
- The entire transaction is expected to be completed by 2024 year end.

After a share purchase agreement has been entered into, a notice of the Extraordinary General Meeting will be published with more information about the transaction and the shareholders' rights.

For more information, please contact:

Daniel Hallenberg, CEO

E-mail: daniel@hemplybalance.com

Marcus Bonsib, Chairman of the Board

E-mail: mbonsib@gmail.com

Aalto Capital LLP is the exclusive financial advisor to Bittnet Systems and Dendrio Solutions.

For more information, please contact:

John McRoberts, Aalto Capital, Managing Partner John.mcroberts@aaltocapital.co.uk

About Hemply Balance



HEMPLY

BALANCE

Hemply Balance Holding AB (publ) is a health food company that markets innovative, safe, and high-quality products in two categories: dietary supplements and beauty products. The company focuses mainly on products that contain CBD and adaptogens, adding what we refer to as "The Missing Ingredient." It sells to retailers in Europe and the Japanese market. The company is listed on NGM Nordic SME in Stockholm.

For more information, please see Hemply Balance's website, www.hemplybalance.com.

Important information

The publication, publication or distribution of this press release may be subject to restrictions by law in certain jurisdictions and persons where it has been published or distributed should inform themselves about and comply with such legal restrictions. The recipient of this press release is responsible for using it and the information contained herein following applicable regulations in their respective jurisdictions.

This press release does not constitute an offer, or a solicitation of any offer, to acquire or subscribe for any securities in Hemply Balance in any jurisdiction, neither from Hemply Balance nor from anyone else. This press release does not constitute an offer or a solicitation of any offer to buy or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or without the application of an exemption from registration under the U.S. Securities Act of 1933, as amended (the "Securities Act"). They may not be offered or sold in the United States absent registration, an exemption from, or in a transaction not subject to the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offer of such securities in the United States.

The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, in or into Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, Singapore, South Africa, the United States of America or any other jurisdiction where such release, publication or distribution of this information would be contrary to applicable regulations or where such action is subject to legal restrictions or would require additional registration or other measures than what follows from Swedish law. Actions violating this instruction may constitute a violation of applicable securities legislation.

This press release is not a prospectus within the meaning of Regulation (EU) 2017/1129



HEMPLY

BALANCE

(the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. No prospectus will be prepared concerning the issue described in this press release. The issue does not constitute an offer to the public. In all Member States of the European Economic Area ("EEA"), this press release is intended for and is only directed at "qualified investors" in that Member State as defined in the Prospectus Regulation.

In the United Kingdom, this document and any other materials relating to the securities referred to herein are only being distributed and directed at, and any investment or investment activity relating to this document is only available to, and will only be available to, "qualified investors" (within the meaning of the UK version of Regulation (EU) 2017/1129 which forms part of UK law by the European Union (Withdrawal) Act 2018) who are (i) persons who have professional experience in activities relating to investments that fall within the definition of "professional investors" in Article 19(5) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (ii) high net worth persons referred to in Article 49(2)(a)(d) of the Order (all such persons together being referred to as "relevant persons"). An investment or investment measure to which this announcement relates is only available in the United Kingdom to relevant persons and will only be made with relevant persons. Persons who are not relevant persons should not take any action based on this press release, nor should they act or rely on it.

This press release does not identify or purport to identify all risks (direct or indirect) that may be associated with an investment in equities. An investment decision to acquire or subscribe for new shares may only be made based on publicly available information about the Company or the Company's shares.

This press release does not constitute an invitation to underwrite, subscribe for or otherwise acquire or transfer any securities in any jurisdiction. This press release does not constitute a recommendation for any investors' decisions regarding the issue. Each investor or potential investor should research, analyse, and evaluate the business and all publicly available information described in this announcement. The price and value of the securities can decrease as well as increase. Achieved results do not guide future results. Neither the content of the Company's website nor any other website accessible through hyperlinks on the Company's website is incorporated into or forms part of this press release.



Forward-looking statements

This press release contains forward-looking statements regarding the Company's intentions, assessments or expectations regarding the Company's future results, financial condition, liquidity, development, prospects, expected growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that do not relate to historical facts and can be identified by the fact that they contain expressions such as "believes", "expects", "anticipates", "intends", "estimates", "will", "may", "assumes", "should", "could" and, in each case, negations thereof, or similar expressions. The forward-looking statements in this press release are based on various assumptions, which, in many instances, are based on additional assumptions. Although the Company believes that the assumptions reflected in these forward- looking statements are reasonable, there can be no assurance that they will occur or that they are correct. Because these assumptions are based on assumptions or estimates and are subject to risks and uncertainties, actual results or outcomes may differ materially from those set forth in the forward-looking statements. Such risks, uncertainties, contingencies and other material factors could cause actual events to differ materially from the expectations expressed or implied in this press release by the forward-looking statements. The Company does not warrant that the assumptions underlying the forward-looking statements in this press release are correct. Any reader of the press release should not rely on the forward-looking statements in this press release. The information, opinions and forward-looking statements expressed or implied herein are provided only as of the date of this press release and are subject to change. Neither the Company nor anyone else undertakes to review, update, confirm or publicly release any revisions to any forward-looking statements to reflect events that occur or circumstances that arise concerning the content of this press release unless required by law or listing rules.

This information is information that Hemply Balance Holding AB 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 set out above, at 2024-09-24 17:45 CEST.

Attachments

[Hemply Balance Holding AB \(publ\) has entered into a letter of intent to acquire Dendrio Solutions SRL - a profitable and fast-growing serial acquirer](#)

