

EPTI divests Adhype for approximately 9,5 MSEK

EPTI AB (publ) ("EPTI" or "the Company") has today entered into an agreement to divest all shares in Adhype AB ("Adhype") to Shifted Shape Capital AB ("the Buyer") controlled by EPTI's Chairman of the Board, Sebastian Nyaiesh. The purchase price is calculated on a cash and debt-free basis, and the final purchase price preliminarily amounts to 9,500,000 Swedish Kronor and will be paid in cash on the closing date. The sale of Adhype is conditional upon EPTI's general meeting approving the transfer according to special rules concerning transfers of shares etc. in Chapter 16 of the Swedish Companies Act. The company's board will soon call to an extraordinary general meeting. The transaction is expected to take place no later than August 30, 2023.

In April 2023, the Board of EPTI decided to streamline operations to become an investment company focused on artificial intelligence (AI) with an accompanying Idea Lab for commercializing new business ideas, and to divest portfolio companies not deemed in line with the new strategic direction. The Company's sale of Adhype is in accordance with the new strategy, and the purpose of the sale is to reduce the Group's indebtedness and clarify the Company's focus on AI. The Company believes that a reduced debt ratio increases the ability to raise capital to implement the new strategic direction and thereby maximize shareholders' return over time.

The Buyer of the shares is controlled by EPTI AB's Chairman of the Board, Sebastian Nyaiesh. The negotiations between the parties were conducted at arm's length, and Sebastian Nyaiesh did not participate in EPTI AB's handling of the matter. The Board's assessment is that the transaction is market-based and advantageous for EPTI's shareholders.

Adhype was founded in 2017 and has developed into a company offering services within SEO (Search Engine Optimization). The SEO service offering primarily includes strategy consulting and keyword optimization. Adhype also owns and operates a portfolio consisting of websites and sales for partner sites. EPTI acquired the company in April 2022 for 22 million kronor, of which approximately 9.2 million paid in cash and about 12.8 million in shares at an average price of 6.05 SEK. Adhype has since the acquisition distributed approximately 2.7 million kronor to EPTI. Adhype's revenues amounted to approximately 6 million kronor in 2022 with an annual result of about 2.8 million kronor. Adhype has a negative revenue development with a deteriorated result during the first half of 2023 compared to the same period in 2022. The Company assesses that the purchase price of approximately 9.5 million kronor is market-based given Adhype's negative development while the valuation multiples in the industry have become more restrictive.

"EPTI will continue to streamline operations and focus solely on commercializing businesses within AI. A company that we see as highly promising is Oodash, an AI-driven Business Intelligence (BI) platform that enables better decision support through a GPT-interface against company data." comments EPTI's CEO Arli Mujkic and continues. "EPTI will have reduced the debt by approximately 25 million within two months which strengthens the company's financial position. Our focus going forward will be on maximizing the potential of the revolutionary technology that is only in its infancy."

The sale of Adhype is conditional upon EPTI's general meeting approving the transaction according to special rules concerning transfers of shares etc. in Chapter 16 of the Swedish Companies Act. Transfer of the shares is expected to occur shortly after EPTI AB's general meeting has considered the proposal for the transfer.

For further information, please contact:

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About EPTI

EPTI is an investment company focusing on artificial intelligence (AI). The company has a deep understanding of the latest AI technologies and actively guides its portfolio companies with implementation and development of AI-based services. The headquarters is located in Stockholm. EPTI's shares are listed on Nasdaq First North Growth Market and admitted to trading on Börse Frankfurt Open Market.

For more information, see EPTI's website www.epti.com

The Company's Certified Adviser is Eminova Fondkommission AB | +46 (0)8-684 211 00 | info@eminova.se

This information is information that EPTI 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 2023-08-09 14:30 CEST.

Attachments

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