



Klea Holding's Board of Directors does not endorse the offer letter for all its outstanding shares at 0.30 euro per share

- Klea Holding's Board of Directors considers that this offer significantly undervalues the company and its value creation potential, and that the consortium did not fulfill all the expected requirements
- An independent financial analyst has submitted a report which values the Group at 0.45 euro per share

Paris, October 24, 2024

KLEA HOLDING (FR0013481835 – ALKLH), a group focused on the acquisition, development, and digitalization of companies across multiple sectors, announces that its Board of Directors unanimously chose not to endorse the Offer for all outstanding shares of the company at a price of € 0.30 per share on a non-diluted basis (cf. press releases from September 24, 2024 & September 27, 2024).

Latest developments

Over the last month, Klea Holding's Board of Directors has reviewed the proposal from the consortium in detail, met and exchanged views with the consortium of investors on the key components of their offer (the "Offer").

Valuation, due diligences and forecasts

Klea Holding mandated an independent financial analyst to examine the offered price in more detail and to benchmark it against a robust valuation analysis.

This independent financial analyst has submitted a valuation report of Klea Holding to the Board of Directors. This report values the Group at around € 139.4 million (€ 0.45 per share on a non-diluted basis and € 0.42 per share on a fully diluted basis).

Klea Holding and the consortium's representative shared their mutual analysis of the Group to understand the underlying assumptions and financials supporting the price of the Offer.

Although constructive, these discussions have enabled to materialize few discrepancies in the approach of our Group's valuation:

- The consortium's approach does not factor the closing of City Walk center in 2024 and its impact of YTD-2024 figures, hence creating an important gap in 2025 forecasts
- The absence of material value granted to the diversification strategy of the Group in Dubai, now representing 5% of revenue and growing strongly
- The absence of geographical synergies in the consortium's approach to accelerate the Group's development in the wider MENA region

Hence, we believe that the consortium's approach does not reflect the growth trajectory and the value creation potential of Klea Holding.

Klea Holding's management team has successfully proven over the last two and a half years its ability to increase the company's underlying profitability and deliver sustained growth.

As a reminder, Klea Holding reported strong operating results for the first half of 2024:

- Strong revenue growth (+23%), driven by increasing test volumes despite the temporary closure of the City Walk medical center.
- Strong improvement in EBITDA to € 1.8 million adjusted for non-recurring items (+€ 1.1 million vs. H1-23).

Klea Holding has been pursuing its growth trajectory during Q3 2024 with volume growth of +15% compared to Q3 2023 and published that City Walk center reopened on October 14, 2024, in accordance with the announced schedule.

Financing

During the last month, Klea Holding's Board of Directors and managers have constantly exchanged with the consortium to understand the sources and forms of financing securing the Offer. Although serious and tangible, the consortium was not able to provide Klea Holding's Board of Directors with a binding proof of funding for the minimum amount expected with respect to the terms of the Offer.

Minimum threshold and endorsement from the reference shareholders

In addition to the endorsement from Klea Holding's Board of Directors, the Offer states a minimum threshold of 60% of the share capital for the success of a potential tender and consequently the support from Klea Holding's reference shareholder¹.

Klea Holding's Board of Directors noted that no proof of such support was brought within the offer timeframe, compromising the ability of the consortium to gather at least 60.0% of the outstanding shares of Klea Holding through a potential tender process.

Unanimous decision of Klea Holding's Board of Directors

On the back of the independent valuation report, in light of the the multiple workstreams initiated during the last month and after various interactions with its counsels, Klea Holding's Board of Directors, during its meeting held on October 22, 2024, has unanimously decided not to endorse the Offer. The Board considers that the Offer's building blocks do not exteriorize a fair valuation of our Group and do not provide the minimum guarantees for an acceptable success rate in its potential execution.

Reminder of the Offer details

A consortium of GCC based investors has offered on September 18, 2024 to acquire all the issued ordinary shares of Klea Holding. The price set by the consortium is an all-cash tender offer of € 0.30 per Company ordinary share.

This tender offer would be a voluntary offer under the normal procedure as, to the best of the company's knowledge, the consortium does not own any shares of Klea Holding as of the date of the offer. The consortium intends to implement a minority squeeze-out if it reaches the 90.0% ownership threshold via the tender offer process.

The offer was non-binding and expires tomorrow at 17:00 CET.

¹ Based on the latest available information, the reference shareholder is still Perpetua Capital SCSp, whose ownership is 30.2% on a fully diluted basis.

About Klea Holding

Klea Holding is a group focused on acquiring, developing and digitizing companies in various sectors to maximize their growth and value. Through its "*scaling industries of the future*" identity, Klea Holding draws on its successful experience in developing Smart Salem, the first network of digitalized medical analysis centers accredited by the Dubai Ministry of Health (DHA) in the United Arab Emirates, and its Smart Health joint venture developed in Saudi Arabia, to extend this entrepreneurial approach to the four corners of the globe.

Klea Holding is headquartered in Paris and listed on Euronext Growth (ALKLH). For further information, please visit <http://www.kleaholding.com>.

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