



(Incorporated in Singapore with Unique Entity No.: 201424579Z)

website: [www.ughealthcarecorporation.com](http://www.ughealthcarecorporation.com)

SGX stock code: 8K7

## **UG Healthcare propels growth in downstream distribution businesses in Europe through strategic acquisitions in Germany and Spain**

- Together with its UK platform, the Group will leverage the local warehousing and logistics infrastructures while building on successful and established operations in Germany and Spain to drive expansion in the European market
- Immediate ownership of essential licences, certifications, and trademarks for more than a hundred SKUs of the product portfolio of reusable gloves serves as a springboard for the Group's global entrenched downstream distribution network

---

For Immediate Release

**Singapore, 6 June 2024 – UG Healthcare Corporation Limited 优格医疗集团 (“UG Healthcare”** and together with its subsidiaries, the **“Group”**), an own brand manufacturer that markets and sells proprietary **UNIGLOVES®** branded products through its own established global downstream distribution network, wishes to update shareholders and potential investors on its recent strategic acquisitions in Germany and Spain.

The Group, through its wholly-owned subsidiary, Unigloves (Singapore) Pte Ltd (**“Unigloves Singapore”**), as announced on (i) 8 May 2024, increased its equity interest in Unigloves GmbH (**“Unigloves Germany”**) from 19.29% to 100.00%, and (ii) 6 June 2024, acquired a 50.00% equity interest in UG NITREX, S. L. (**“UG NITREX”**) to form a joint venture with the initial shareholders in Spain (the **“Strategic Acquisitions”**).

Note: All capitalised terms used and not defined herein shall have the same meanings given to them in the respective announcements dated 8 May 2024 and 6 June 2024.

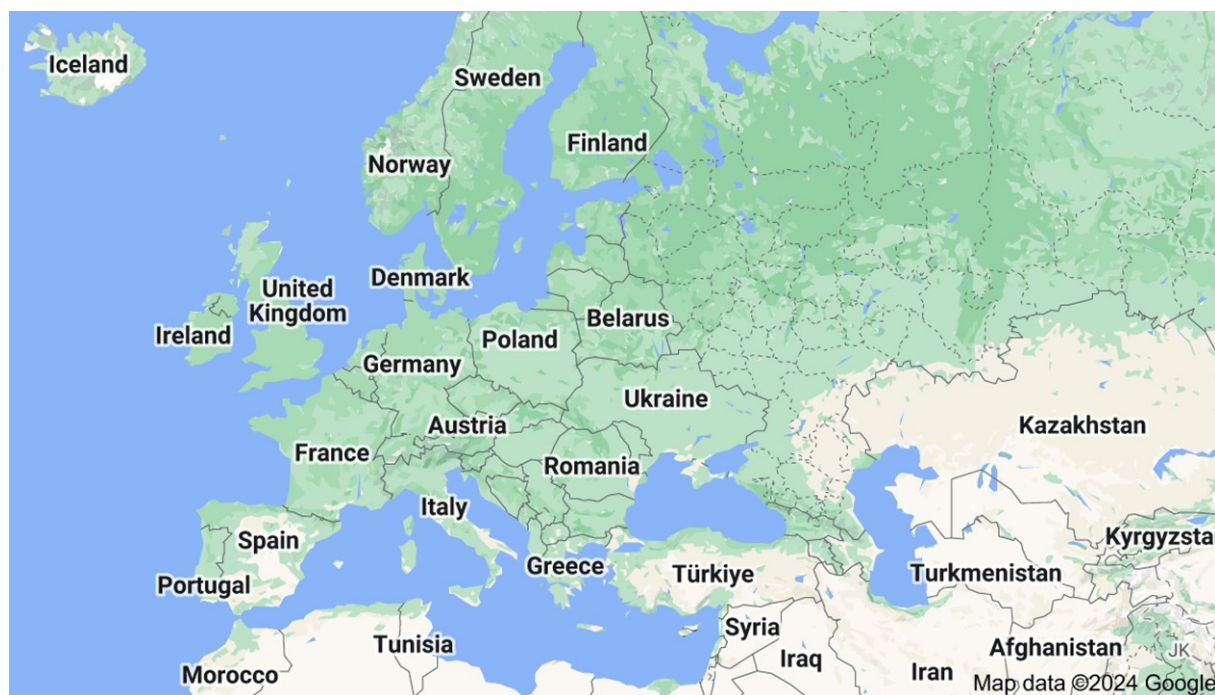
Commenting on the strategic acquisitions, Mr. Lee Jun Yih, Executive Director and Finance Director of UG Healthcare, said, **“The exit of the United Kingdom from the European Union in January 2020 has resulted in operational inefficiencies for the Group's downstream distribution business in various parts of Europe in the past few years.**

**We believe the Strategic Acquisitions in Germany and Spain are timely and highly beneficial to the Group, stemming from (i) the immediate earnings contributions, (ii) the immediate ownership**

of proprietary UG NITREX product portfolio of reusable gloves, (iii) the ability to improve reliability and lead time on delivery to customers in Europe, and (iv) potential cost savings from having a centralised Europe operation comprising of sales, marketing and necessary functions to achieve economies of scale to support the growing customer base in Europe.

These benefits are expected to propel sustainable growth for the Group in terms of (i) sales revenue with the broadened product portfolio of reusable gloves, and ancillary products of safety footwear and personal protective equipment (“PPEs”) for industrial applications, and (ii) geographical footprint expansion in Southern Europe and Central Eastern Europe through the established platforms including local warehousing and logistics infrastructures in Germany and Spain.

Our UK platform, together with the strategic locations of Germany and Spain, will enable us to strengthen our foothold in Europe to better serve our European customers.”



## Highlights of the Strategic Acquisitions

### A. Increased equity interest in Unigloves Germany to become a wholly-owned subsidiary

Unigloves Germany fully acquired the remaining shares that it did not own of 80.71% for an aggregate consideration of €16.94 million (equivalent to approximately S\$24.68 million based on exchange rate of €1.00 : S\$1.4571) and this resulted in Unigloves Germany (via Unigloves Singapore) to become an indirect wholly-owned subsidiary of the Group.

Unigloves Germany and its wholly-owned subsidiary, Unigloves Arzt- und Klinikbedarf-Handelsgesellschaft mbH (“**Unigloves A+K**”) have remained as one of the Group’s important downstream distribution networks in Europe since the Company’s IPO in 2014.

Unigloves A+K is principally engaged in the business of import and export of medical treatment utilities and remains one of the key established marketing and distribution bases of the Group’s downstream distribution business in Europe. Unigloves A+K cultivates demand and distributes **UNIGLOVES®** brand of products including disposable examination gloves to customers in the European markets.

Unigloves Germany and its wholly-owned subsidiary, Unigloves A+K, reported net asset of €6.00 million (approximately S\$8.74 million) as at 31 December 2023, consolidated net profit before tax of €0.83 million (approximately S\$1.21 million) and a normalised EBITDA\* of approximately €3.20 million (approximately S\$4.66 million) for the financial year ended 31 December 2023 (“**FY23**”).

Note: \* Normalised EBITDA refers to the earnings before interests, taxes, depreciation and amortisation of €2.17 million (approximately S\$3.16 million), excluding (i) foreign exchange impact of €0.63 million (approximately S\$0.92 million); and (ii) management fees of €0.40 million (approximately S\$0.58 million) which has since been terminated following the completion of the acquisition.

The acquisition consideration was arrived based on amongst others, the net asset value of Unigloves Germany, the enterprise value to EBITDA ratio of comparable companies in the region and the immediate revenue and earnings contribution from Unigloves Germany to the Group.

Mr. Lee continues, “**Germany is the heart and core of Europe, being one of the largest economies in the continent. Therefore, taking full ownership and control of Unigloves Germany is a crucial step for us as we prepare to make further inroads into the European markets.**”

## **B. Acquisition of equity interest in UG NITREX to form the joint venture**

Unigloves Singapore acquired a 50.00% equity interest in **UG NITREX** for an aggregate purchase consideration of €500,000 (equivalent to approximately S\$730,650 based on the exchange rate of €1.00 : S\$1.4613) from the initial shareholders, resulting in a joint venture between the initial shareholders and the Group.

**UG NITREX** specialises in the sale, marketing, and distribution of reusable gloves for industrial applications, safety footwear, and other PPEs in Spain and neighbouring countries such as Portugal and France. **UG NITREX** owns all the relevant licences, certifications, and trademarks for

more than a hundred of stock keeping units (“SKUs”) of a product portfolio of reusable gloves. Since October 2021, UG NITREX has been supplying its Nitrex and Sibille Safe range of reusable gloves to the Group’s downstream distribution business.

UG NITREX recorded a revenue and EBITDA of approximately €2,668,209 (approximately S\$3,899,054) and €116,213 (approximately S\$169,822), respectively, for FY23. The net tangible asset value derived based on the 50.00% equity interest in UG NITREX acquired by Unigloves Singapore was approximately €207,946 (equivalent to approximately S\$303,872) as at 31 December 2023.

The acquisition is accompanied by a Put and Call Option Agreement between Unigloves Singapore and the initial shareholders. This Put and Call Option Agreement presents an opportunity for the Group to subsequently consolidate control of the remaining shares that Unigloves Singapore does not own from 1 July 2027, after having gained exposure and experience to a new market and new product portfolio of reusable gloves.

The Call Option grants Unigloves Singapore to acquire an additional 1% equity interest at 5.5 times of the latest financial year’s EBITDA of UG NITREX, while the Put Option grants the initial shareholders the unilateral right to transfer and sell their remaining shares, all or part, proportionately of at least a 25% equity interest in UG NITREX in a single exercise with the purchase price to be determined by an independent chartered accounting firm of international reputation.

The purchase consideration, as well as the Call Option and Put Option exercise price was arrived based on amongst others, (i) the immediate ownership of the relevant licences, certifications, and trademarks for more than a hundred of SKUs of UG NITREX’s product portfolio of reusable gloves; (ii) immediate market presence in Spain; and (iii) enterprise value to EBITDA ratio of comparable companies in the region.

**“The opportunity to be in this joint venture with UG NITREX enables instantaneous ownership and expansion of the product portfolio of reusable gloves, safety footwear, and PPEs for industrial applications. This joint venture not only serves as a springboard for the Group’s global downstream distribution business with a broadened proprietary product portfolio of reusable gloves but also presents the opportunity for the Group to explore new areas of business and expand our footprint in the neighbouring countries of Spain.**”

**It has always been the Group’s culture to nurture businesses for sustainable growth in the long term, and we value working relationships with all our business partners. We believe the Put and Call Option Agreement offers comfort to the initial shareholders while giving both parties time to progress in this new working relationship to build and expand the distribution network in Spain sustainably together,”** added Mr. Lee.

The Company will update shareholders on material developments of the Group, as and when they arise.

##

**UG HEALTHCARE CORPORATION 优格医疗集团**

(Stock Code – SGX: 8K7 | Bloomberg: UGHC SP | Reuters: UGHE.SI)

**UG Healthcare Corporation Limited** (“UG Healthcare” and together with its subsidiaries, the “Group”) is an own brand manufacturer that markets and sells proprietary **UNIGLOVES®** branded products through its own established global downstream distribution network.

The Group owns and operates an extensive downstream network of distribution companies with a local presence in Europe, United Kingdom, USA, China, Africa, and South America, where it markets and sells its proprietary **UNIGLOVES®** brand of disposable gloves. The Group also distributes ancillary products including surgical gloves, vinyl and cleanroom disposable gloves, reusable gloves, face masks and other medical disposables.

These downstream distribution companies are supported and complemented by the Group’s own upstream manufacturing division, manufacturing natural latex and nitrile disposable gloves under its **UNIGLOVES®** brand and third-party labels in its upstream manufacturing facilities located in Malaysia.

The Group’s upstream manufacturing is certified by British Standards Institution (“**BSI**”) for ISO 9001:2015, ISO 13485:2016 and EN ISO 13485:2016 for the scope of manufacture and supply of natural latex and nitrile latex examination gloves.

Its **UNIGLOVES®** brand of disposable gloves offers an extensive product range that includes both specialised products, with a variety of coatings, scents, colours, thickness, antimicrobial properties for more specialised users, as well as generic products. These products are used across a diverse range of industries requiring cross infection protection and hygiene standards, whilst catering to different applications and preferences.

The Group’s proprietary brand of products conform to various international standards and requirements, including the ASTM International (formerly known as American Society for Testing and Materials), European standard for medical gloves (“**EN455**”), ISO 11193 standards (International Organization for Standardization for Single-use medical examination gloves), CE and UKCA Type Examination Certificates of Latex and Nitrile Examination Gloves PPE 2016(425) Cat III, Acceptance Quality Level requirements under the Food and Drug Administration (“**USFDA**”), China Food and Drug Administration (“**CFDA**”), Brazilian Health Regulatory Agency (“**Anvisa**”) and the National Agency for Food and Drug Business Strategy Administration and Control (“**NAFDAC**”).

For more information, please visit the company’s website at [www.ughealthcarecorporation.com](http://www.ughealthcarecorporation.com)

Issued for and on behalf of **UG Healthcare Corporation Limited** by:



Investor relations contact:

**Rosalina Soh 苏沛熙**

Mobile : (65) 9677 6683

Email : [rosalina@octavecomms.com](mailto:rosalina@octavecomms.com)

*This media release has been reviewed by the Company's sponsor, SAC Capital Private Limited (the “Sponsor”).*

*This media release has not been examined or approved by the Singapore Exchange Securities Trading Limited (“SGX-ST”) and the SGX-ST assumes no responsibility for the contents of this media release, including the correctness of any of the statements or opinions made or reports contained in this media release.*

*The contact person for the Sponsor is Ms Charmian Lim (Telephone: +65 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.*