

EUROBIO SCIENTIFIC SIGNS AN AGREEMENT TO ACQUIRE GENDX, INTERNATIONAL HLA DIAGNOSTICS SPECIALIST

- Acceleration of strategic plan confirming its positioning as a leader in the molecular diagnostics market
- Acquisition of a 100% proprietary products portfolio
- New high-level R&D and bioinformatics teams
- Products marketed in many countries on several continents
- Strong technological and commercial complementarities

Paris, August 17, 2022 – 6:00 pm

Eurobio Scientific (FR0013240934, ALERS, PEA-PME eligible), a leading French group in *in vitro* medical diagnostics and life sciences, announces the signing on August 17, 2022 of an agreement to acquire 100% of the capital and voting rights of the Dutch company Genome Diagnostics BV (GenDx) from its founder and its shareholders for an amount of 135 million euros (net of adjusted cash). This acquisition will allow Eurobio Scientific to complete its commercial portfolio with a portfolio of 100% proprietary products among the most efficient in the field of HLA¹ diagnostics in order to assess the compatibility between donors and recipients in the context of organ and marrow transplants. It will also strengthen its geographical footprint, mainly in Europe and the USA. Payment will be made entirely in cash, financed with the Group's cash and partially through a bank loan for a total of 90 million euros. Completion of this operation is subject to the finalization of the bank financing contract.

One of the world leaders in HLA typing for graft compatibility

Founded in 2005 in Utrecht, the Netherlands, GenDx specializes in the molecular diagnostics of transplants by HLA typing of organs or patients as part of the evaluation of compatibility between donors and recipients. Among others, it is one of the pioneers of typing based on genomic sequencing (SBT or Sequencing Based Typing) for which it currently offers high-resolution solutions based on the most recent NGS² technologies.

GenDx develops and markets a complete family of products which includes:

- reagents for performing HLA typing by sequencing;
- software for analyzing sequencing results, customized for different sequencing techniques and platforms;
- training modules, facilitating the adoption of its solutions by its customers.

The company has more than 80 employees, mainly based in the Netherlands, including a sales force present in Benelux, Germany and the USA. In 2021, GenDx generated €17 million in revenue, for €6.9 million in EBITDA. During the first half of 2022, GenDx's revenue is estimated at €11.2 million, for €5.4 million of EBITDA³.

¹ Human Leucocyte Antigen

² Next Generation Sequencing

³ Non audited

An acquisition with strong potential for growth and value creation

In 2021, transplantation diagnostics accounted for 23.8% of Eurobio Scientific Group's (the "Group") non-COVID revenue, i.e. 20 million euros. The acquisition of GenDx should enable the consolidation of the Group's presence in this specialty and generate new international development synergies.

The main synergies linked to this acquisition are:

- a strong complementarity of transplantation activities: Eurobio Scientific is currently only a distributor in France where GenDx has no direct presence;
- R&D complementarity: GenDx supplements the Group's scientific and technical expertise with significant know-how in HLA and NGS within teams operating in a center of excellence in Utrecht;
- GenDx's technological advance in the digitization of diagnostics, through algorithms and software developed by its bioinformatics specialists;
- an extension of the international commercial presence by the direct presence of GenDx in the Netherlands, Germany and North America where it will supplement the local capacities of Eurobio Scientific, and by its distributors in the rest of Europe, Asia and the rest of the world.

Given the characteristics of GenDx, the strong complementarity between the two groups, and the many synergies identified, the valuation of this transaction is in line with those of recent acquisitions involving similar assets in the field of medical diagnostics.

Better access to care and advances in medicine are resulting in a growing demand for transplants. However, this is hampered by the availability of organs to be transplanted. A precise and rapid diagnosis, making it possible to increase the success rate of these surgeries, promotes a better balance between supply and demand. The transplant diagnostics market is therefore growing rapidly, and the technological and commercial strength of the new entity resulting from the merger of Eurobio Scientific and GenDx, should make it a leading player.

Denis Fortier, Deputy Managing Director and co-CEO of Eurobio Scientific, Chairman of EurobioNext, declares: *"This operation is transformative for Eurobio Scientific and is fully in line with the development strategy that we have been successfully pursuing for several years and which is based on a direct presence in Europe and an increase in the share of proprietary products. The strong complementarity between our two groups should make it possible to increase the advance of our Group both technologically, geographically and commercially"*.

Hervé Duchesne de Lamotte, Deputy Managing Director and CFO of Eurobio Scientific, adds: *"This merger, which has the support of our financial partners, will allow Eurobio Scientific to significantly increase the share of proprietary products in its turnover and therefore its profitability. The size of the financing associated with this transaction also gives Eurobio Scientific the means to steadily pursue the development of the Group"*.

"We are particularly proud of this acquisition of GenDx which will further strengthen the added value of Eurobio Scientific's innovation. It is the fruit of historical relations between Denis Fortier and Wietse Mulder, two entrepreneurs who share the same vision of the development of their business. We are convinced that GenDx will play an important role in the development of Eurobio Scientific around NGS technology as well as on the two challenges of the future which are preventive medicine and smart health", comments Arthur Vigneras, Investment Director with NextStage AM.

Wietse Mulder, CEO and co-founder of GenDx, adds *"For GenDx it was important to get closer to a group led by entrepreneurs. Eurobio Scientific, through its demonstrated agility during the COVID crisis and its complementarity with our activities, quickly appeared to us as the best partner to ensure the continued development of transplantation activities, while strengthening the technological base of our new Group. On a more personal note, I am delighted to join this new group and enable the creation of a leading player in the field of molecular diagnostics in Europe"*.

Cash and bank loan financing

The acquisition will be financed in part by the Group's own cash and in part by a loan from a syndicate bringing together the Group's banks, in particular LCL, BNP, Crédit Agricole Ile de France, BRED and CIC. The loan will be for a total amount of 90 million euros. It will be amortized half-yearly over a period of six years for 63 million euros, and will be repayable *in fine* at the end of the seventh year for 27 million euros. The interest rate will be EURIBOR⁴ plus a margin varying according to certain financial ratios and ranging between 0.9 and 1.6% for the amortized tranche, and between 1.75 and 2.45% for the *in fine* tranche. A portion of this loan will be used to repay the outstanding balance of the March 2020 syndicated loan, for approximately €4.5 million.

The final completion of the acquisition is subject to the legal finalization of the agreement with the banks, which will include the usual covenants for this type of transaction, the respective committees having already given their agreements. It should take place by mid-October.

List of participants in the transaction

Eurobio Scientific: Denis Fortier (Deputy Managing Director, co-CEO) and Hervé Duchesne de Lamotte (Deputy Managing Director, CFO), Jean-Michel Carle (President and CEO)

NextStage AM: Grégoire Sentilhes (Co-founder, Chairman and CEO), Arthur Vignéras (Investment Director) and Emilio Johnston (Associate)

M&A Buyside Advisor: Rothschild & Co. (Elena Coluccelli, Philippe de Montreynaud, Dimitrios Iroidis)

Legal Buyside Advisor, legal and social DD: Jones Day (Floris Pierik, Renaud Bonnet, Maarten De Boorder)

Financial and fiscal DD: Deloitte (Justin Hamers, Martijn Koedijk, Thomas Fischer)

Next financial meeting

2022 Half-year results: October 11, 2022, before market opens

Disclaimer

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About Eurobio Scientific

Eurobio Scientific is a key player in the field of specialty in vitro diagnostics. It is involved from research to manufacturing and commercialization of diagnostic tests in the fields of transplantation, immunology and infectious diseases, and sells instruments and products for research laboratories, including biotechnology and pharmaceutical companies. Through many partnerships and a strong presence in hospitals, Eurobio Scientific has established its own distribution network and a portfolio of proprietary products in the molecular biology field. The Group has approximately 148 employees and three production units based in the Paris region, in Germany and in the United States, and several affiliates based in Dorking UK, Sissach Switzerland, Bünde Germany and Utrecht in The Netherlands. Eurobio Scientific's reference shareholder is the EurobioNext holding company which brings together its two directors, Jean-Michel Carle and Denis Fortier, alongside the "Pépites et Territoires" by AXA & NextStage AM investment program, managed by NextStage AM.

For more information, please visit: www.eurobio-scientific.com

The company is publicly listed on the Euronext Growth market in Paris

Euronext Growth BPI Innovation, PEA-PME 150 and Next Biotech indices, Euronext European Rising Tech label.

Symbol: ALERS - ISIN Code: FR0013240934 - Reuters: ALERS.PA - Bloomberg: ALERS:FP

⁴ Euro InterBank Offered Rate, the average interest rate at which a number of major European banks lend funds to each other. Currently the 6-month EURIBOR is close to 0.7%.

About GenDx

Genome Diagnostics BV (GenDx) is a leader in the field of high-resolution HLA typing and related molecular diagnostic testing. Established in 2005, it is based in the Utrecht Science Park (USP), the Netherlands, and near O'Hare airport, Chicago, IL. to support its US customers. The company develops and markets innovative diagnostic tests, software, services and educational products in close collaboration with renowned business partners. With more than 80 employees, the company has a dedicated team of in-house experts always striving to provide the best services for tissue typing laboratories, scientists, and hospital specialists. GenDx's products are distributed worldwide, either directly or by one of its HLA-specialized distributors.

For more information, please visit: <https://www.gendx.com>

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