

AroCell's updated strategy after the merger with IDL Biotech

AroCell AB informs about the company's updated operational strategy following the acquisition of IDL Biotech AB. AroCell has now conducted a review of the overall operations to determine the strategy for the merged company. The company has established a joint office in Bromma, Sweden, so that the operations' strengths and areas of expertise are utilized optimally in order to actively develop and streamline the company.

"The new AroCell has a broad product portfolio with products that are established and used in healthcare today and which have great growth potential. The company has extensive knowledge and experience in biomarkers for oncology, especially urological cancer. The products include rapid tests as well as ELISA kits and biomarkers on automated platforms", says Anders Hultman, AroCell's CEO, and continues, "The strengthening of resources and know-how that has now been added to the company gives us great opportunities to increase sales of the existing product portfolio as well as to vigorously pursue our development programs".

In the evaluation and review process, AroCell has identified several main areas that form the basis of the company's strategy. These areas are summarized in the points below:

1. In the short/medium term, invest further in increasing sales volumes for existing products through more targeted sales efforts and focused resources.
2. Implement a clinical development program in oncology to obtain market approval in the United States and Europe for UBC® Rapid 2.0 and TK 210 ELISA.
3. Evaluate and utilize the synergy in clinical decision-making by combining TK1 and cytokeratins.
4. Focus on rapid tests for the company's biomarkers.
5. Invest additional resources to make the company's biomarkers available on automated platforms.

"AroCell's deep knowledge of TK1 in combination with the acquired knowledge of cytokeratin provides great opportunities to create conditions for better cancer care. We see great potential in the use of the biomarkers individually and believe that a combination of the markers can provide completely new opportunities. AroCell now has an operational opportunity to pursue this further", says Claes Post, AroCell's Chairman of the Board.

- 1. In the short/medium term, invest further in increasing sales volumes for existing products through more targeted sales efforts and focused resources.**

AroCell will expand its sales efforts of the company's existing products and sees significant opportunities to increase sales volumes in our oncology segment, both in the already established German market and in other European countries. The Covid-19 pandemic and its restrictions have caused great difficulties in conducting sales activities on site. As the restrictions are eased, the company will increase its sales efforts. In Europe, we are already seeing a rapid recovery in sales.

In bacteriology, with our product TUBEX® TF for diagnosing typhoid fever, we currently have our main market in Indonesia. During the pandemic, we have continued our work to increase the processing of new markets and believe that we will be able to establish the product in new markets in Africa in the near future.

2. Implement a clinical development program in oncology to obtain market approval in the United States and Europe for UBC® Rapid 2.0 and TK 210 ELISA.

AroCell has an extensive clinical program, intending to bring the company's products to the US market and get the products approved following the new IVDR regulations in Europe. In the field of bladder cancer, we plan to start studies in the United States and Europe for UBC® Rapid 2.0, which is a new improved rapid test. The goal is to get approval according to 510(k) and to meet the requirements according to IVDR. This will enable an establishment in the US market, while we can increase sales in Europe with a new improved rapid test. In prostate and breast cancer, we also aim to conduct further studies in the United States and Europe with TK 210 ELISA. The next step is to conduct a pre-submission meeting with the FDA to be able to proceed with the studies in the United States. In parallel, the company plans for European studies to meet the requirements of IVDR.

3. Evaluate and utilize the synergy in clinical decision-making by combining TK1 and cytokeratins.

AroCell has a deep knowledge of TK1 and cytokeratins. We know that these biomarkers work well when used individually and see a great opportunity in using these together to increase diagnostic precision. The assessment is that it would provide an improved test to be able to detect metastatic cancer, recurrence of cancer, or early therapy response. AroCell has started a project to evaluate the synergy of combining the two biomarkers.

4. Focus on rapid tests for the company's biomarkers.

AroCell has extensive experience in the development of rapid testing, which is an important prerequisite for driving product development and the product strategy for AroCell forward. The company currently has an established sale of rapid tests to private clinics in the German market, where we also see great growth potential. The company estimates that the Covid-19 pandemic has increased public acceptance of the use of rapid tests. We expect this development to continue and may increase further as remote care expands. Allowing cancer patients to themselves get an indication, via rapid tests, of whether the disease has returned is an important part of this. The company sees this as a strategically important segment and the goal is for the entire product portfolio to be available as rapid tests.

5. Invest additional resources to make the company's biomarkers available on automated platforms.

To make AroCell's biomarkers available on a large scale, the company needs to establish collaborations with more in vitro diagnostic companies with automated platforms. By out-licensing the company's antibodies and technologies to IVD companies that have automated analysis instruments and a broad customer base, the cost of each analysis can be reduced. This stimulates use and gives larger volumes. AroCell currently has collaborations with several actors and will work actively to start new collaborations while we pursue the existing projects.

A video with the CEO's comments about the strategy will be available online from 10:00 on AroCell.com and Redeye.se.

This information is information that AroCell 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 2021-10-06 08:00 CEST.

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About AroCell

AroCell AB (publ) is a Swedish company that develops and markets blood and urine sample tests. The corporation specializes in oncology and bacteriology. The company has a broad product portfolio, used in healthcare and established in various markets. In oncology, AroCell uses various biomarkers, TK1 and cytokeratins, to support the treatment of various cancers such as breast, prostate, and bladder cancers. AroCell's product portfolio also includes a rapid bacteriological test for a simple and safe diagnosis of typhoid fever. AroCell (AROC) is listed on Nasdaq First North Growth Market with Redeye AB as Certified Adviser: Certifiedadviser@redeye.se, +46 (0)8 121 576 90. For more information; www.arocell.com

Attachments

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