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Boule Diagnostics invests in strategic near patient diagnostics partnership

Boule has entered a strategic partnership, investing EUR 5 million in the diagnostic company biosurfit. The partnership is in alignment with the established strategy to broaden the product portfolio. biosurfit, a Portugal-based company, develops and manufactures the spinit®, a system for near patient diagnostics in hematology, immunology and clinical chemistry. The spinit® system has CE marked protocols for CRP (infection), HbA1c (diabetes monitoring) and blood count (hematology). Several additional diagnostic parameters will be launched in the coming years.

The partnership includes a global distribution agreement in the first phase, where the product will be commercialized through Boule's organization and distribution channels in multiple countries. Furthermore, the partnership will evolve over time to include joint product development, collaboration in production and procurement.

biosurfit is raising a total of EUR 10 million in capital to fund its commercial expansion phase, and Boule will initially acquire shares in biosurfit corresponding to 24.99% of the total share capital and the votes in return for a EUR 5 million investment. The EUR 5 million payment will be made in two tranches, EUR 2.5 million in December 2018 and EUR 2.5 million in January 2019. An additional EUR 5 million will be contributed by a Portuguese co-investment fund, called 200m. During the period until the end of 2021, Boule has the option to purchase 200m's 24.99% stake for EUR 5 million plus interest. In 2022 Boule has the option to buy the remaining shares in biosurfit, providing for potential 100% ownership in biosurfit by Boule. The valuation mechanism in relation to the shares held by biosurfit's existing investors will be based on biosurfit's performance in 2021 and will be calculated according to a pre-determined revenue multiple valuation formula. The agreement was signed on December 14, closing is subject to customary final approvals.

"The partnership is a significant step forward for Boule, providing immediate access to a new and unique product strengthening our product portfolio and long-term competitiveness. biosurfit's spinit® system has unique features in terms of the wide range of diagnostic parameters and novel sensor technologies. We see significant opportunities further leveraging combined strength of Boule and biosurfit." said Fredrik Dalborg, CEO of Boule Diagnostics.

"We are very excited about welcoming Boule Diagnostics as a strategic partner as well as a new key investor in biosurfit, taking the company to the next level. After having established new production capacity and having implemented critical product improvements, the spinit® system is now ready for wider commercial launch. Through this partnership we will get immediate and direct access to Boule's global distribution network and will be able to benefit from the experience and the position that Boule has in the near patient diagnostic markets." said Joao Garcia da Fonseca, CEO and co-founder of biosurfit.

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About Boule Diagnostics AB (publ)

Boule Diagnostics AB is a global diagnostics company that develops, manufactures and markets instruments and consumable products for blood diagnostics. The company serves hospitals, clinics, laboratories and companies within blood diagnostics, in both human and veterinary hematology. The company operates via subsidiaries in Sweden, the USA, Mexico and Russia. The company's products are sold globally primarily through distributors, supported by Boule's own local sales and support personnel. The Boule shares are listed on Nasdaq Stockholm since 2011. www.boule.com

About biosurfit and spinit®

biosurfit is a highly innovative Portuguese-based early commercial stage European medical diagnostics company focused on the development and manufacture of breakthrough technologies for the in vitro diagnostic (IVD) market. The company is funded by venture capital investors, as well as a loan of EUR 15 million from the European Investment Bank. Based on proprietary technology, its lead product spinit®, which was first commercially launched in 2014, is the first and only, diagnostics system capable of performing the major Point of Care blood test modalities (hematology, immunoassays and clinical chemistry) on the same instrument. The addressable market is estimated to more than USD 1 bn with current protocols, and significantly more with planned protocol releases. The addressable market growth is estimated to approximately 7-8% per year. More than 700 systems have been sold to date. spinit® addresses an unmet need for fast, precise, reliable, easy-to-use blood analysis for medical testing in the point-of-care setting. www.biosurfit.com

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