

PRESS RELEASE



**Exonhit announces the upcoming acquisition of InGen BioSciences, the leading independent distributor of in-vitro diagnostics in the French market <sup>(1)</sup>**

- *Creation of a French fully integrated leader in the in-vitro diagnostic field, involved from research to commercialization of specialty diagnostic products under the new name **Diaxonhit**, a new group resulting from the merger of Exonhit and InGen BioSciences.*
- *Highly complementary business models*
- *Pro forma revenues of 28.4 million euros as of December 31, 2011*
- *Ambitious development strategy through further consolidation of growing and profitable companies*
- *Acquisition paid for in cash for 8 million euros and Exonhit stock for 10 million euros*
- *Partial financing through a private placement with institutional investors for approximately 6 million euros*
- *Dilution limited by an allocation of free warrants to Exonhit shareholders*

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**Paris, France – November 6, 2012** – Exonhit (FR0004054427, ALEHT) announced today that it entered into an agreement to acquire 100% of InGen BioSciences SA from its founders and financial shareholders, IPSA (ex Innoven Partenaires) and funds managed by Amundi Private Equity Funds. Subject to customary precedent conditions as well as a financing through a private placement, this acquisition is expected to close in December 2012 following approval from Exonhit's shareholders. The total purchase price of 18 million euros will be paid in cash for 8 million euros and the balance in Exonhit stock, to be issued to InGen BioSciences' shareholders. This issuance of new shares will be subject to approval by Exonhit's shareholders during a shareholders' extraordinary general meeting to be scheduled for December 2012.

As part of this transaction, Exonhit will undertake in the next few days a financing through a private placement with institutional investors, per article L.411-2 II of the French monetary and financial Code, for approximately 6 million euros to fund the cash portion of the acquisition. The balance of the cash payment, approximately 2 million euros, will be funded with existing company cash.

An allocation of free warrants will be submitted for shareholders' approval in order to limit the dilutive effect of the transaction. An equity line (PACEO<sup>®</sup>) for a maximum of approximately 6 million euros, in order to fund Diaxonhit's development, will also be submitted for approval.

## **Ingen BioSciences, the leading distributor of *in-vitro* diagnostics in the French market <sup>(1)</sup>**

Established in 2001, Ingen BioSciences is today the leading independent distributor of *in-vitro* diagnostics in the French market <sup>(1)</sup>. It develops and markets innovative *in-vitro* diagnostic medical devices (IVDMD) <sup>(3)</sup> to public and private clinical laboratories, and has 65 employees of whom almost two thirds are engaged in commercial activities.

InGen BioSciences is the market leader in France (65% market share <sup>(4)</sup>) for distribution of tests for HLA (Human Leukocyte Antigen - Human leukocyte antigens) that assess the compatibility between donors and recipients for organ and bone marrow transplants. In 2011, 4,954 transplants were carried out in France, and 16,371 patients were still awaiting transplantation <sup>(5)</sup>. These diagnostic tests are distributed exclusively for One Lambda, a global leader of HLA and an affiliate of Thermo Fischer.

InGen BioSciences also distributes immunoassay tests for European and American partners as well as its own test, TQS (Tetanus Quick Stick), used in emergency departments for evaluation of patient protection against tetanus. It also services a large base of diagnostic equipment, in particular equipment developed by Luminex and installed in hospital laboratories and private medical biology laboratories.

In addition, Ingen BioSciences develops BJI Inoplex an innovative proprietary diagnostic test to detect infections associated with prosthetic joints. Today, more than 250,000 joint replacements are performed annually in France and 3.5 million worldwide.

Since 2007, Ingen BioSciences revenues increased at an average growth rate <sup>(6)</sup> of 14% per year. In 2011, its revenues amounted to 23.3 million euros, with an EBITDA of 1.4 million euros. These revenues were derived exclusively from distribution activities in which HLA sales amounted to 71% of total sales.

## **Diaxonhit, a new French fully integrated player in *in vitro* diagnostics**

In line with its current growth strategy, the merger of Exonhit with Ingen BioSciences will create Diaxonhit, a new French fully integrated player in *in-vitro* diagnostics, involved from research to commercialization of specialty diagnostic products.

The new Diaxonhit group will benefit from the complementarity of both companies' business models, activities and know-how. As a result, the group will also benefit from significant synergies, mainly based on future cost avoidance, and a reduction in its cash burn.

### **1. Innovative R & D**

Diaxonhit will own a broadened and diversified portfolio of products under development, including both innovative molecular and non-molecular diagnostics, spread over three main specialty areas : immuno-infection, Alzheimer's disease and cancer.

### **2. A sales force tailored for growth**

With its strong presence in hospitals and its numerous partnerships, Ingen brings to Diaxonhit an extensive distribution network that will enable commercialization of both proprietary products developed in-house and partners' products through exclusive distribution agreements.

### **3. Increased financial strength**

On a pro forma basis, the new consolidated group would show total revenues of €28.4 million at 31 December 2011, corresponding to diversified revenues, from the distribution of proprietary or exclusively licensed products, from research collaborations, and from grants obtained through collaborative projects. With the strengthening of its sales and its visibility in the market, Diaxonhit will acquire a greater investment capacity that will enable implementation of its strategy of growth and development.

**Loïc Maurel, President and CEO of Exonhit, said:** *"We are very pleased to join forces with InGen BioSciences in this highly strategic merger. Through this transaction, the magnitude of our business will change significantly, a key step for both our companies, all of our employees and our shareholders. InGen's distribution network is a tremendous asset for the commercialization of our new diagnostic products, such as AclarusDx in Alzheimer's disease. Today, with this union we will become a fully integrated player in the field of in vitro diagnostics in France and will have a stronger financial capacity enabling us to better serve our ambition for growth."*

*"The merger with Exonhit represents for us, at InGen BioSciences, a real opportunity to join an actor with a strong portfolio of innovative products. The complementarity of our expertise and our respective strengths will allow, I believe, the rapid integration of the new group and will accelerate its development. In addition, becoming part of a listed company represents a real growth driver."* **says Jean-Pierre Hermet, Chairman of the Supervisory Board of InGen BioSciences.**

## **An ambitious growth strategy**

Diaxonhit will immediately focus its efforts on developing its distribution activities, based on the sales organization already in place, and accelerating the development of high added value proprietary innovative diagnostic products.

This merger is the first stage of Diaxonhit's ambitious strategy. To achieve the optimum size in a highly competitive and rapidly consolidating environment, the new group will continue to pursue the identification of potential acquisition targets to support its development. Target companies should generate revenue growth and be profitable, while being complementary with Diaxonhit in terms of product portfolio.

## **Terms of the agreement**

Under the terms of the agreement, Exonhit will acquire a 100% stake in InGen BioSciences on a fully diluted basis, and make a payment of 8 million euros in cash and 10 million euros through a share exchange upon closing.

The share exchange will be completed through issuance of new Exonhit shares to be paid by a contribution in kind of 100% of InGen BioSciences stock. This transaction will be subject to Exonhit's shareholder approval in an extraordinary general meeting scheduled December 2012 (on first call), such approval being granted on the basis of a report provided by two independent assessors on the value of InGen BioSciences stock.

Securities received by InGen BioSciences shareholders may be sold progressively, subject to volume caps set at 20% of average weekly volume, during the first six months following the closing of the transaction. After six months, they will be freely tradable.

## **Equity line (PACEO<sup>®</sup>) financing, allocation of free warrants and change of company name**

To partially finance the cash portion of the transaction, Exonhit plans to undertake in the next few days a financing for approximately 6 million euros with institutional investors through a private placement per article L.411-2 II of the French monetary and financial Code. This financing will be carried out within the framework of the 12th and 13th resolutions, which were approved by Exonhit's Extraordinary General Meeting held on May 2, 2012.

To supplement this financing and support Diaxonhit's development, Exonhit and Société Générale agreed to implement an equity line through a PACEO<sup>®</sup> Program (Capital increase through an option exercise program) for a maximum of approximately 6 million euros. This program will be subject to approval by shareholders at the general meeting to be held in December 2012.

In addition, in order to allow Exonhit shareholders to participate in the development of the new Diaxonhit group, and limit the dilutive effect of the issuance of new shares, free warrants (BSA) will be allocated subject to the approval of Exonhit shareholders at the general meeting to be held in December 2012.

These warrants will have a 2-year life and will give the holder the right to subscribe to one new share at a price of 1.95 euro per share, at the ratio of one new share for 10 BSA, one free BSA being allocated for each share held before the general meeting.

At the same general meeting, shareholders will also decide on the name change from Exonhit to Diaxonhit, and on the appointment to the Supervisory Board of two members from the current Supervisory Board of InGen BioSciences.

The terms of these transactions will be described in more detail as part of the preparation for the Extraordinary General Meeting, which will include publication of a notice in the BALO and a formal call during the month of November.

For this transaction, Société Générale Corporate & Investment Banking is Exonhit's financial advisor, Jones Day its legal counsel on M&A issues, and Brandi Partners its legal advisor on corporate and equity aspects. For the assessment of the contribution in kind, Mr Dominique Ledouble and Mr Sylvain Mary were appointed as independent appraisers by the Paris Commercial Court on August 10, 2012.

- (1) Source: EDMA European Diagnostics Manufacturers Association and SFRL (In vitro diagnostics industry union), base 9 months 2011 revenues
- (2) Pro forma accounts were established on the basis of Exonhit audited consolidated accounts and InGen audited consolidated accounts under French GAAP. They were reviewed by the auditors for coherence purposes only, not for audit or limited review purposes.
- (3) In Vitro Diagnostic Medical Device
- (4) Source: InGen estimate and EDMA quarterly statistics
- (5) Source: Biomedicine Agency, [www.dondorganes.fr/016-les-chiffres-cles](http://www.dondorganes.fr/016-les-chiffres-cles)
- (6) Compounded growth rate of InGen BioSciences revenues between 2007 and 2011

### Summary indicative timetable of the transaction

Announcement of AGM	09/11/12
Convening the EGM	28/11/12
Holding of the EGM (first call)	14/12/12
Closing of the transaction	19/12/12

This timetable is indicative, in particular the closing date of the transaction will depend on approval of the issuance of new shares by Exonhit shareholders.

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### About Exonhit

Exonhit (FR0004054427, ALEHT) is a biotech company, focused on personalized medicine, which develops targeted innovative therapeutic and diagnostic products, in oncology and Alzheimer's disease. Exonhit has a balanced development strategy with internal development programs and strategic collaborations.

Exonhit is headquartered in Paris, France and has a U.S. subsidiary in Gaithersburg, Maryland. The Company is listed on NYSE Alternext in Paris and is part of the NYSE Alternext OSEO innovation index.

For more information, please visit <http://www.exonhit.com>

### About InGen BioSciences

InGen BioSciences is a group specialized in the development and commercialization of diagnostic products.

Its affiliate, InGen, distributes and services, primarily under exclusivity, *in vitro* diagnostic kits and automatic equipment, mainly in the fields of transplantation, infectious diseases and autoimmunity, product quality control and rapid tests, including Tetanus Quick Stick<sup>®</sup>, its proprietary product. InGen is ISO 9001 (2008) and 13485 (2004) certified.

InGen BioSciences research and development department is specialized in the development of tests based on proprietary antigens, including BJI Inoplex for the diagnosis of osteoarticular infections. To date it owns 39 registered patents.

The group recorded 23.3 million euros in revenues in 2011.

For more information, please visit: <http://www.ingenbiosciences.com>

### **About *in-vitro* diagnostics (IVD)**

IVD tests are intended to be used *in vitro* for the examination of biological samples from the human body, including blood and tissues. They are used for screening as well as diagnosing diseases, therapeutic drug monitoring, evaluation of blood safety and compatibility with potential transplant recipients. They cover a wide range of applications and include sophisticated tests requiring high-tech equipment to simple self-tests such as pregnancy tests.

IVD tests are the basis of many medical decisions and are essential for personalized care of patients.

### **Disclaimer**

*This press release does not constitute or should not be considered as a public offering, an offer to subscribe to the company's securities or a public solicitation in preparation for a public offering of Exonhit's securities. No public offering of Exonhit's securities will be made, inside or outside of France, pursuant to Article L.411-2 of the French Monetary and Financial Code. Consequently, no Prospectus will be published nor approved by the AMF.*

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*With respect to the member States of the European Economic Area which have implemented the Prospectus Directive (each, a "relevant member State"), other than France, no action has been undertaken or will be undertaken to make an offer to the public of the securities requiring a publication of a prospectus in any relevant member State. As a result, the new shares of Exonhit may only be offered in relevant member States (i) to qualified investors, as defined by the Prospectus Directive; or (ii) to any legal entity which has two or more of the following criteria: (1) an average number of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43 million; and (3) an annual net turnover of more than €50 million, as shown in its last company or consolidated accounts; or (iii) in any other circumstances, not requiring Exonhit to publish a prospectus as provided under Article 3(2) of the Prospectus Directive.*

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*Finally, this press release may be drafted in the French and English languages. In an event of differences between the texts, the French language version shall prevail.*

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