



# bioMérieux and Biocartis A Strategic Partnership in Molecular Diagnostics

November 4, 2010



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# Overview



## ▶ Market dynamics and bioMérieux's 2015 strategy

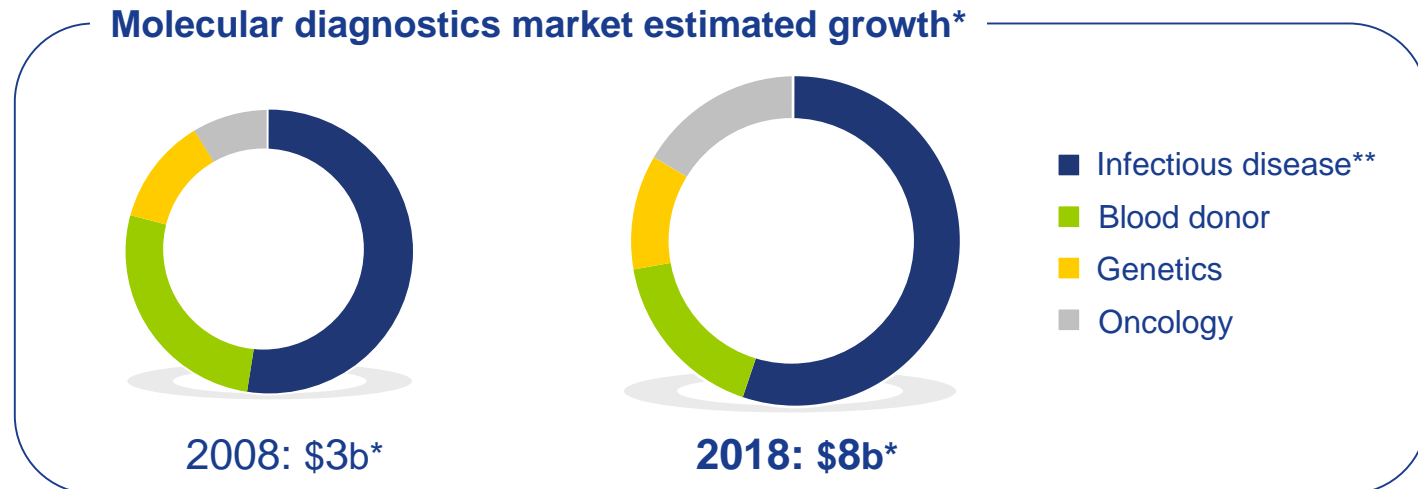
An innovative platform for molecular diagnostics

bioMérieux's enhanced offering in molecular diagnostics



# Molecular diagnostics: Need for earlier, more actionable information

- ▶ One of the **fastest growing markets** in *in vitro* diagnostics: ~ 10%...
  - ▼ Booming demand for Healthcare-Associated Infection (HAI) testing
  - ▼ Explosion of medical knowledge, especially cancer biomarkers
  - ▼ A more personalized approach to medicine



- ▶ ...driven by:
  - ▼ **Automation and integration**
  - ▼ Increasing demand for **decentralized molecular diagnostic tests**
  - ▼ From single analyte testing to **multiplexing platforms**
    - Measuring a large number of analytes simultaneously

## OPPORTUNITIES

- ▼ Unmet medical & industrial needs in microbiology
- ▼ High growth emerging countries
- ▼ Molecular biology and POC\* growing at about 10%
- ▼ New innovative biomarkers and emergence of theranostics

## THREATS

- ▼ Price pressure due to customer consolidation
- ▼ Emergence of new technologies
- ▼ New entrants in IVD

## STRENGTHS

- ▼ Clinical and industrial microbiology leadership
- ▼ VIDAS® installed base
- ▼ Global commercial network

Biocartis deal  
fixes this



## WEAKNESSES

- ▼ Small market share in molecular biology
- ▼ Integration between Marketing and R&D not yet world-class
- ▼ More IT solutions needed

\* POC: Point of Care

# Molecular diagnostics strategy 2015

- 1 Maximize current franchise
  - ▼ easyMAG<sup>®</sup>
  - ▼ HIV viral load
  
- 2 Focus on HAI\*, sepsis and oncology on a fully integrated platform
  - ▼ HAI menu enhanced with resistant strains
  - ▼ Sepsis solutions
    - Focus on biomarkers, including host response, after termination of the Cepheid collaboration
  - ▼ Theranostics and oncology opportunities
  
- 3 Multiplex and sequencing



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# Biocartis

## Accelerating molecular biology

- ▶ A privately owned **biotech company**, founded in 2007 and located at
  - ▼ The EPFL Science Park in Lausanne, Switzerland
  - ▼ The High Tech Campus in Eindhoven, The Netherlands



- ▶ February 2010  
Acquisition of **Philips' platform** for automated molecular diagnostics
  - ▼ Significant **expertise** and **IP** in molecular biology platforms
  - ▼ State of the art R&D
  - ▼ Top level **engineering capabilities**





# Biocartis

## A winning team

- ▶ A **consortium** with
  - ▼ Leading life science investors
  - ▼ 2 pharma / diagnostics companies: Debiopharm - Johnson & Johnson Development Corp.
  
- ▶ Rudi Pauwels, Founder & Chief Executive Officer
  - ▼ An innovation-focused **scientist-entrepreneur**
  - ▼ Founder of 3 successful biotechnology companies
    - Tibotec, very active in anti-HIV drug discovery - Acquired by J&J
    - Virco, a pioneer in the field of HIV drug resistance monitoring - Acquired by J&J
    - Galapagos Genomics, a joint venture between Tibotec and Crucell - Now listed on Euronext
  - ▼ PhD in Pharmaceutical Sciences (1990) at the Rega Institute for Medical Research
    - (Co-)author of more than 150 publications

# A fully integrated solution to improve patient outcome



**Instrument**  
Scalable tower with 4 independent  
“slots” & shared power supply

**Cartridge**  
Disposable cartridge contains all  
necessary reagents

**Console**  
User interface  
Touch-screen operated computer

# An innovative unified cartridge

- ▶ Disposable cartridge
- ▶ Ease-of-use and full automation
  - ▼ Integration of all processes in a completely sealed cartridge
  - ▼ Even for complex assays
- ▶ Versatility
  - ▼ DNA testing
  - ▼ RNA testing
  - ▼ Methylation\*
- ▶ Sample type
  - ▼ Blood
  - ▼ Swabs
  - ▼ Urine
  - ▼ Tissue
  - ▼ Stool



\* A chemical modification of DNA that remains stable over the course of cell division but does not affect the organism's underlying DNA sequence

# Key features

## Simplified molecular diagnostic testing

- ▶ **Ease-of-use and rapidity**
  - ▼ No need for highly skilled technicians
  - ▼ Minimal operator time and training
  - ▼ 60-90 min. turn-around-time
- ▶ **Fully random access and modular design**
  - ▼ Sample can immediately be tested and results can be provided whenever needed
  - ▼ For smaller and larger labs
- ▶ **Broad test menu, including highly complex tests**
  - ▼ Detection of 1-25 targets per sample
  - ▼ Ability to process frozen or fixed tissue
  - ▼ Suitable for methylation

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# Biocartis partnership: A perfect fit with bioMérieux's strategy

- ▶ For applications in **microbiology**
  - ▼ Rapid microbiology
  - ▼ Healthcare-associated infections: C.diff, MRSA, VRE, KPC, NDM-1...
  - ▼ Sepsis and other infectious disease markers
- ▶ For companion tests, in **theranostics**
  - ▼ Especially tissue testing: BRAF, KRAS
- ▶ For **all types of laboratory environments**
  - ▼ Current labs already active in molecular diagnostics
  - ▼ Decentralized labs
  - ▼ Opportunity in emerging countries

# Biocartis and bioMérieux: A deal leveraging complementary talents

## Development phase

- ▶ Leveraging strong expertise
  - ▼ bioMérieux: biology, clinical trials & regulatory affairs
  - ▼ Biocartis: engineering

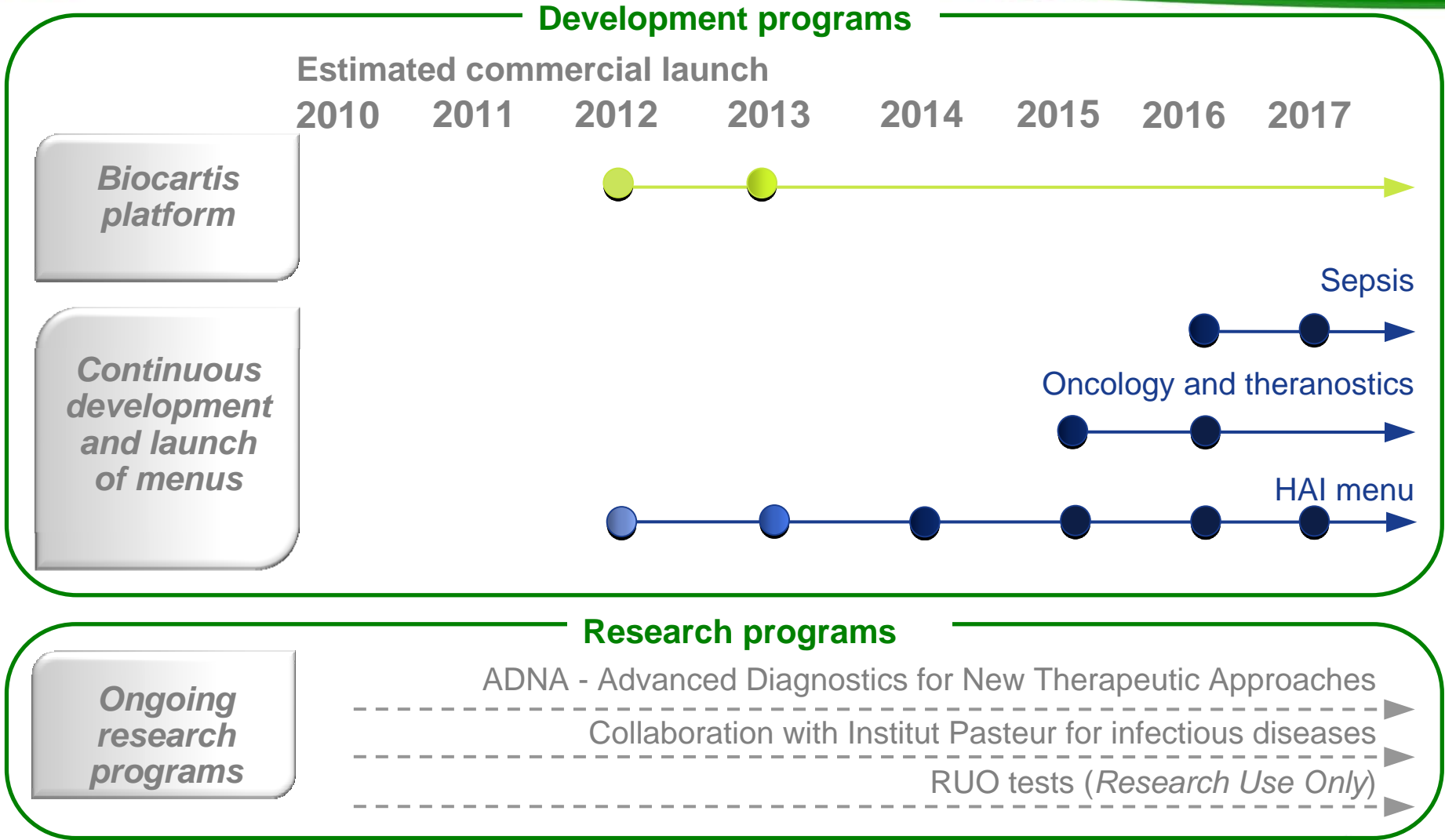
## Commercialization

- ▶ Building a robust franchise
  - ▼ bioMérieux
    - Production of tests
    - Microbiology: global exclusivity for bioMérieux
    - Other assays: open to bioMérieux's menu
  - ▼ Biocartis
    - Instrument manufacturer

A partnership, including a €9m equity stake in Biocartis,  
an exclusive collaboration in microbiology  
and access for oncology and theranostics

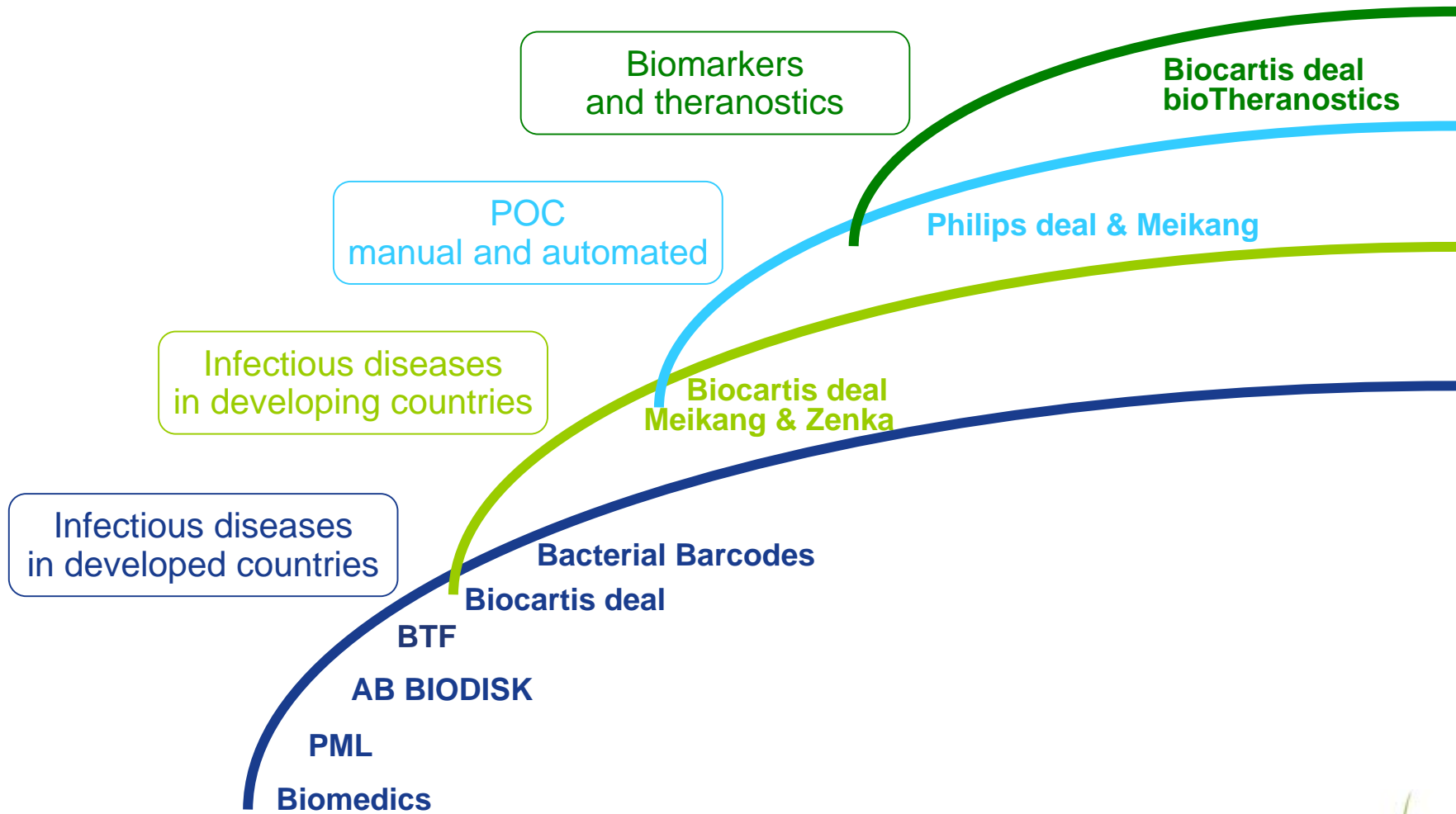


# Launch timeline: An ambitious pipeline of assays





# New sources of growth



## A strategic partnership for bioMérieux

- ▶ Access to a superb, fully integrated molecular biology platform
  - ▼ Tests on any sample: preparation and extraction of nucleic acids
  - ▼ Amplification
  - ▼ Detection
  - ▼ Generation of a result without user intervention
- ▶ A molecular diagnostics pipeline focused on microbiology and theranostics
  - ▼ HAI testing
  - ▼ Sepsis
  - ▼ Theranostics
- ▶ Biocartis' world-class team to support bioMérieux's ambitions

Closing our gap in molecular biology





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