

Abacus Diagnostica, Kaivogen and Labrox joining forces to form a global diagnostics pioneer – Enabling the right diagnosis and care at the patient’s first appointment

Three Finnish biotech companies – Abacus Diagnostica, Kaivogen and Labrox – are joining forces to form an international frontrunner in *in vitro* diagnostics. The new company will provide the global market with a unique total solution for point-of-care testing, including diagnostics for infectious diseases and cancers. The next-generation solution will enable testing anywhere and at any time, thereby speeding up the the correct diagnosis and care. Instead of sending samples to external laboratories, samples are taken and analysed near the patient. The launch of the new solution for point-of-care testing is scheduled for 2024.

The new company brings together some of the world’s leading instrumentation and biochemical knowhow. It will offer healthcare providers and patients faster, easier and more cost-effective diagnostics. The three growth companies have years of experience in diagnostics. In 2020, the combined annual net sales of the three companies totalled EUR 12 million and the operating profit EUR 3.2 million. In 2021, the net sales is estimated to be EUR 14 million and the operating profit to increase from the previous year. The new company will employ about 90 employees. The name of the new company will be decided on during this autumn.

The combination of Abacus Diagnostica, Kaivogen and Labrox into a new company is a natural continuation of existing collaboration between the three companies. The companies have already worked on joint R&D and marketing initiatives, and acted as suppliers to each other. The combination will enable larger investments in R&D and sales, generate operational synergies, and expand the combined customer base. Together the companies will also be in a better position to meet international demand and profit from the market’s extensive growth potential.

The new company will continue to be owned primarily by the current shareholders. About 95 per cent of the new company will be held by Finnish shareholders. A significant proportion of the company will continue to be owned by its employees. The transaction will be implemented through a share swap agreement. It is expected to be completed in October. The companies’ largest shareholders support the transaction. The Board of Directors and the CEO of the new company are to be appointed during the autumn.

Instant and reliable results with point-of-care testing

“Our goal is to use advanced diagnostics to quickly identify pathogens and prevent their spread. Our objective is to help doctors confirm the patient’s diagnosis with laboratory test at the very first appointment, avoiding days of waiting for test results – regardless of whether the patient has symptoms of cancer, coronavirus or any other infectious disease. By obtaining results for several pathogens quickly we can help break infection chains or detecting early-stage cancer. For point-of-care testing to be meaningful, the testing solution must be versatile, easy-to-use and cost-effective. That is exactly the solution that we are offering,” said Erno Sundberg, CEO of Abacus Diagnostica.

One single device for diagnosis of several diseases

“Our total solution for point-of-care testing harnesses the expertise of all three companies. Together, we can offer a solution for future diagnostics that none of the three companies could provide on their own,” said Henri Sora, CEO of Labrox.

The next-generation point-of-care testing solution under development will enable both antibody and PCR tests using one single device. There is currently no other point-of-care testing system on the market that combines these two technologies. The new device will make it possible to identify more than ten bacteria or viruses from one single sample with PCR. The device can therefore be used to determine whether a patient’s symptoms are caused by coronavirus, a flu or a common cold. A past or prolonged infection or cancer can be detected using antibody tests.

Three future pillars: Diagnostics for infectious diseases and cancer, and contract manufacturing

The new company’s growth is supported by a growing need for decentralised diagnostics as mobility of people and the spread of new epidemics increase, and populations are aging.

“Our future growth pillars are diagnostics for infectious diseases and cancers, and contract manufacturing. Supported by our comprehensive knowhow we can transform for instance diagnostics for cancer. We are developing more sensitive and more accurate tests that will provide a novel and highly effective way of conducting screenings by focusing on the early diagnosis of cancer from blood samples. Our test, which is currently at the most advanced stage of development, will improve monitoring of ovarian cancer,” said Leena Kokko, CEO of Kaivogen.

Information about the companies

Abacus Diagnostica

Abacus Diagnostica is a **frontrunner in molecular testing and rapid PCR tests**, offering systems for diagnosis of infectious diseases such as coronavirus, influenza and intestinal bacteria. The automated test system developed and manufactured by the company consists of test chips, instrument, and software interpreting the results. Abacus Diagnostica’s customers are typically hospital laboratories. The test system can also be used by any healthcare unit, as it is easy to use and requires no special expertise. The company’s products are sold through distributors in more than 25 countries, mainly in Europe and Asia. Abacus Diagnostica was established in 2004. In 2020, the company’s net sales totalled about EUR 6.6 million and it has about 30 employees. www.abacusdiagnostica.com

Kaivogen

Kaivogen **specialises in immunoassays and antibody tests**. The company develops tests for diagnosis of heart disease and coronavirus antibodies, among others, and manufactures components for a range of diagnostic tests. The company’s first proprietary test for diagnosis of ovarian cancer is currently under development, and the company has patents for testing pancreatic, breast and intestinal cancer, among others. In collaboration with Labrox, Kaivogen has developed the Upcon® point-of-care testing concept, which is based on nanoparticles. Kaivogen was

established in 2007. The company's main customers are *in vitro* diagnostic companies, through which its products are sold globally to e.g. hospitals, as well as research organisations and pharmaceutical service companies. In 2020, Kaivogen's net sales totalled approximately EUR 1.7 million, of which about 70 per cent came from exports, mainly to the United States and the Nordic countries. Kaivogen employs about 30 people. www.kaivogen.com

Labrox

Labrox, an **innovative developer of laboratory instruments**, manufactures microplate readers and test instruments for point-of-care testing. The plate readers are complex laboratory instruments, which are based on measuring the amount of light. Thanks to the software in Labrox's readers, the devices are easy to use, fast and small-sized. All equipment sold by Labrox are designed and manufactured by the company, and they are typically sold to end users under the brands of leading life-science providers. In addition to this OEM sales, Labrox has together with Kaivogen developed an Upcon® reader for point-of-care testing under its own brand. The company was established in 2011. About 90% of net sales derive from exports through Labrox's network of international partners. In 2020, net sales were approximately EUR 3.5 million. In 2021 net sales are estimated to increase to EUR 4.8 million. The company employs about 30 people. www.labrox.fi

For more information, please contact:

Erno Sundberg

CEO, Abacus Diagnostica
+358 40 727 8690
erno.sundberg(at)abacusdiagnostica.com

Leena Kokko

CEO, Kaivogen
+358 50 590 0853
leena.kokko(at)kaivogen.com

Henri Sora

CEO, Labrox
+358 40 534 0405
henri.sora(at)labrox.fi