
P R E S S R E L E A S E 7 September 2015

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Ratos acquires TFS

Ratos has signed an agreement to acquire 60% of the shares in TFS Trial Form Support International AB (TFS), an international service provider, a so-called Contract Research Organisation (CRO), which conducts clinical trials for pharmaceutical, biotechnology and medical device companies. The purchase price (enterprise value) for 100% of the company amounts to approximately EUR 47m, of which Ratos will provide equity of approximately EUR 27m including a maximum additional purchase price.

TFS performs clinical trials on behalf of the pharmaceutical, biotechnology and medical device industry, as well as associated industries. TFS offers broad medical competency and niche expertise, thus providing global clinical trials to its customers in a regulated and safe manner. The company's offering comprises contract research services by coordinating and implementing clinical trials, regulatory consulting and analysis of test results. Assignments varies from execution of the entire clinical development programme or delivering specifically selected services of the clinical trials. TFS's services contribute to solving customers' increasing needs to optimise internal use of resources, as well as the need for qualitative and efficiently conducted clinical trials. TFS's services further achieve a reduction in the clinical development time and therefore contribute considerable value to the customers' objective of reducing time to market and potentially increased sales.

The expanding CRO market is driven by pharmaceutical companies increasingly focusing on their core operations (R&D), as well as the need to adhere to the increasing requirements and complexity of the regulatory frameworks. TFS's core expertise lies in serving small and medium-sized pharmaceutical, biotechnology and medical device companies, where there is a growing outsourcing trend for clinical trials and underlying growth in Research and Development. TFS has 23 offices in Europe and North America and conducts trials in a total of 40 countries. The number of employees amounts to approximately 670 individuals, while sales amounted to approximately EUR 49m in the past 12 months as per August 2015.

"TFS is an attractive company with well-established and strong customer relations, which has developed a strong international platform in a market segment that is expanding as the demand for these service offerings and specific expertise increases. We can also see a distinct consolidation trend in the industry, which could generate opportunities for attractive additional acquisitions. By combining the founder Daniel Spasic's and the rest of the management team's industry expertise with our background of supporting growth companies with a clear strategic agenda, as well as our capital and expertise in implementing additional acquisitions, we regard this as a very interesting investment opportunity for Ratos," says Susanna Campbell, President of Ratos.

"We view Ratos's commitment and partnership in TFS as confirmation of the value creation in the services that we deliver to our customers, our global positioning and the unique expertise and experience of our staff. Ratos has the qualities we seek in a long-term partner; it has demonstrated participation and commitment in the company's future growth strategies and a genuine interest in the knowledge and experience that exists in the organisation. Ratos possesses impressive industrial experience that I am convinced is required to take the company to a leading market position. Ratos's fundamental values correspond well with TFS and together we will strengthen the conditions for continued growth in our ambition to become the most attractive global development partner for small and medium-sized pharmaceutical, biotechnology and medical device companies," says Daniel Spasic, CEO of TFS.

TFS was founded in Lund in 1996 and is currently owned by its founder and CEO, Daniel Spasic, who has successfully developed the company into a leading mid-sized CRO with a strong market position through considerable organic and acquisition-based growth. Daniel will retain an ownership share of 40% in the company and will continue to lead the company's development and growth. Anders Ekblom has supported Ratos during the acquisition process as Industrial Adviser and will continue to be engaged in the development. He is very experienced in the industry, for example as Global Research manager for AstraZeneca and previous CEO AstraZeneca AB and today as Chairman of the Board at Karolinska University Hospital.

Ratos is acquiring 60% of TFS. The purchase price (enterprise value) for 100% amounts to a maximum of EUR 47m. Based on estimated net debt on completion of the deal, for its 60%, Ratos is expected to inject equity of approximately EUR 15m plus an additional purchase price of a maximum of EUR 12m depending on the earnings trend for 2015-16. The acquisition is scheduled to be finalised at the beginning of the fourth quarter.

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Financial calendar from Ratos:

Interim report January-September 2015

6 November 2015

Ratos is a private equity conglomerate. The company's mission is to maximise shareholder value over time through the professional, active and responsible exercise of its ownership role in primarily unlisted medium sized Nordic companies. Ratos's holdings include AH Industries, Aibel, Arcus-Gruppen, Biolin Scientific, Bisnode, DIAB, Euromaint, GS-Hydro, Hafa Bathroom Group, HENT, HL Display, Inwido, Jøtul, KYD, Ledil, Mobile Climate Control, Nebula and Speed Group. Ratos is listed on Nasdaq Stockholm and market capitalisation amounts to approximately SEK 19 billion.