

ISSUANCE OF LETTER OF DEMAND TO SYSMEX CORPORATION

The board of directors (the "**Board**") of Biolidics Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company has today issued a letter of demand (the "**LOD**") to Sysmex Corporation ("**Sysmex**") in connection with the Company's claim that Sysmex has breached its obligations under a Collaboration Agreement for the Joint Development of Biochips entered into between the Company and Sysmex dated 14 March 2016 (the "**Development Agreement**"). Further details in relation to the Development Agreement is set out under the section entitled "Our Business – Research and Development" of the Company's offer document dated 11 December 2018.

Under the Development Agreement, the parties had, among others, agreed that: (a) any newly-developed or jointly-developed intellectual property under the Development Agreement would be jointly owned by both parties; (b) before filing an application of patent rights relating to any newly-developed or jointly-developed intellectual property, the parties would discuss on the countries in which the application will be made and the percentage of each party's respective ownership share; and (c) such patent applications would be filed jointly following such joint agreement.

As advised by the Company's legal advisors, the Company understands that Sysmex has filed certain patent applications in the United States of America, People's Republic of China, Japan and Europe (the "**Patent Applications**") and that the Patent Applications contain intellectual property, technical information, and/or know-how that: (a) belongs to the Company; and/or (b) qualifies as newly-developed or jointly-developed intellectual property under the Development Agreement. As such, the Company is of the opinion that the filing of the Patent Applications by Sysmex has breached its obligations under the Development Agreement to reach a joint agreement with the Company prior to filing of the Patent Applications.

Accordingly, the Company asserts that Sysmex had an obligation under the Development Agreement to reach a joint agreement with the Company prior to filing the Patent Applications. The Company also asserts that in filing the Patent Applications without reaching a joint agreement with the Company, Sysmex had breached its obligations of confidence and to act in good faith owed to the Company under the Development Agreement.

In light of the foregoing, and as set out in the LOD, the Company demands, among others:

- (a) that Sysmex provides the Company with an undertaking that it will:
 - (i) refrain from using or disclosing the Company's confidential information contained in, among others, intellectual property, technical information, and/or know-how that belongs to the Company;
 - (ii) rectify the pending patent applications to reflect the Company as sole proprietor or joint proprietor, as the case may be; and
 - (iii) enter into a commercial licensing agreement with the Company for any and all relevant intellectual property owned by the Company and which Sysmex requires for its commercial endeavours;

- (b) that Sysmex affirms under oath a full and complete listing of any and all patent applications filed in respect of or in connection with any subject matter of the Development Agreement; and
- (c) that Sysmex compensates the Company for legal or other reasonable administrative costs incurred in this matter.

The Company is working with its legal advisors to monitor the progress of this matter and will update its shareholders if there are any material developments. In the meantime, the Group's operations are unaffected by this matter.

If Sysmex fails to comply with the LOD, the Company intends to take all necessary steps to protect its interests, including the commencement of dispute resolution proceedings pursuant to the Development Agreement. Accordingly, depending on the timing and the outcome of Sysmex's response to the LOD, this matter may have an impact on the financial performance of the Group for the current financial year ending 31 December 2020 ("**FY2020**"). However, the Group is currently unable to quantify the impact of this matter on the financial performance of the Group for FY2020.

Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they are in doubt about the actions that they should take.

BY ORDER OF THE BOARD

Yee Pinh Jeremy
Non-Executive Non-Independent Chairman
16 October 2020

*This announcement has been prepared by the Company and has been reviewed by United Overseas Bank Limited (the "**Sponsor**") for compliance with Rules 226(2)(b) and 753(2) of the SGX-ST Listing Manual Section B: Rules of Catalist. This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement. The contact person for the Sponsor is Mr. Lim Hoon Khat, Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.*