

Boston Scientific Announces Agreement To Acquire Preventice Solutions, Inc.

Acquisition of external cardiac monitoring technologies and services provider to expand rhythm management diagnostics portfolio and capabilities

MARLBOROUGH, Mass., Jan. 21, 2021 /PRNewswire/ -- Boston Scientific (NYSE: BSX) today announced that it has entered into a definitive agreement to acquire Preventice Solutions, Inc., a privately-held company which offers a full portfolio of mobile cardiac health solutions and services, ranging from ambulatory cardiac monitors – including short and long-term Holter monitors – to cardiac event monitors and mobile cardiac telemetry. The transaction consists of an upfront cash payment of \$925 million, and up to an additional \$300 million in a potential commercial milestone payment. Boston Scientific has been an investor in Preventice since 2015 and currently holds an equity stake of approximately 22 percent, which is expected to result in a net payment of approximately \$720 million upon closing and a milestone payment of up to approximately \$230 million. Preventice recorded net sales of \$158 million in 2020 – a 30 percent growth rate from the previous year.

Cardiovascular disease is the leading cause of mortality globally, accounting for nearly 17.9 million annual global deaths and highlighting the need for early detection and management for individuals who may be at risk of a cardiac event.¹ Physicians may ask at-risk patients to wear an external cardiac monitor to assess how their heart is functioning, which may lead to the diagnosis of a potential heart rhythm problem known as an arrhythmia. The recordings taken by the monitor can then help physicians develop an optimal and personalized treatment plan.

The Preventice product portfolio includes the BodyGuardian® family of remote, wearable cardiac monitors for adult and pediatric patients. The monitors use a fully-integrated, cloud-based platform supported by an independent diagnostic testing facility, where clinical technicians and artificial intelligence (AI) algorithms provide insights that may lead to improved clinical diagnoses and outcomes. Preventice's integration of AI and human expertise is designed to enhance physician efficiency and experience.

"This acquisition will provide Boston Scientific with a foothold in the high-growth ambulatory electrocardiography space, which strongly complements our recent entrance into the implantable cardiac monitor market and will serve as an important component of our category leadership strategy in cardiac diagnostics and services – a nearly \$2B market anticipated to grow double digits annually," said Scott Olson, senior vice president and president, Rhythm Management, Boston Scientific. "We are confident that by adding the broad technology portfolio and expertise of Preventice, our combined teams can continue to deliver rapid growth in these highly-attractive markets while also establishing an important adjacency to our core cardiac rhythm management and electrophysiology businesses."

The newest remote monitoring system within the Preventice BodyGuardian family, the BodyGuardian MINI PLUS, has multiple electrode options intended to enhance rhythm detection, is waterproof, repositionable and can be used in all modalities of short and long-term monitoring, as determined necessary by physicians. These remote monitoring systems are combined with BeatLogic® deep learning algorithms – a type of AI – that detect, classify and interpret variations in heart rhythm data with high beat detection sensitivity and positive predictive value.²

"We have been humbled to provide thousands of physician practices with services based on near real-time clinical data to enable the diagnosis and management of more than one million cardiac patients, without needing to interrupt their daily activities," said Jon Otterstatter, chief executive officer of Preventice Solutions. "Boston Scientific has been a key investor in Preventice for more than five years and we believe the company has the commercial reach, diagnostics expertise and operational infrastructure to bring these advanced monitoring technologies to more patients worldwide."

The acquisition is projected to close by mid-2021, subject to customary closing conditions, and to be immaterial to adjusted earnings per share in 2021, accretive by at least one cent in 2022, and increasingly accretive thereafter. On a GAAP basis, the transaction is expected to be less accretive, or dilutive as the case may be, due to amortization expense and acquisition-related net charges, except for a one-time gain on the company's previously held equity investment in Preventice to be recorded at the closing of the transaction. Additional information about this transaction is available on the events and presentations section of the Boston Scientific [investor relations website](#).

Founded in 2007 as Preventice, Preventice Solutions is based in Minneapolis with offices in Houston and Rochester, Minn.

About Boston Scientific

Boston Scientific transforms lives through innovative medical solutions that improve the health of patients around the world. As a global medical technology leader for more than 40 years, we advance science for life by providing a broad range of high performance solutions that address unmet patient needs and reduce the cost of healthcare. For more information, visit www.bostonscientific.com and connect on [Twitter](#) and [Facebook](#).

Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and

Section 21E of the Securities Exchange Act of 1934. Forward-looking statements may be identified by words like "anticipate," "expect," "project," "believe," "plan," "estimate," "intend" and similar words. These forward-looking statements are based on our beliefs, assumptions and estimates using information available to us at the time and are not intended to be guarantees of future events or performance. These forward-looking statements include, among other things, statements regarding our business plans, regulatory approvals, the closing of the acquisition, product development and product performance and impact. If our underlying assumptions turn out to be incorrect, or if certain risks or uncertainties materialize, actual results could vary materially from the expectations and projections expressed or implied by our forward-looking statements. These factors, in some cases, have affected and in the future (together with other factors) could affect our ability to implement our business strategy and may cause actual results to differ materially from those contemplated by the statements expressed in this press release. As a result, readers are cautioned not to place undue reliance on any of our forward-looking statements.

Factors that may cause such differences include, among other things: future economic, competitive, reimbursement and regulatory conditions; new product introductions; demographic trends; intellectual property; litigation; financial market conditions; and future business decisions made by us and our competitors. All of these factors are difficult or impossible to predict accurately and many of them are beyond our control. For a further list and description of these and other important risks and uncertainties that may affect our future operations, see Part I, Item 1A – *Risk Factors* in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission, which we may update in Part II, Item 1A – *Risk Factors* in Quarterly Reports on Form 10-Q we have filed or will file hereafter. We disclaim any intention or obligation to publicly update or revise any forward-looking statements to reflect any change in our expectations or in events, conditions or circumstances on which those expectations may be based, or that may affect the likelihood that actual results will differ from those contained in the forward-looking statements. This cautionary statement is applicable to all forward-looking statements contained in this document.

Use of Non-GAAP Financial Measures

To supplement our consolidated financial statements presented on a GAAP basis, we disclose certain non-GAAP financial measures, including adjusted net income (loss), adjusted net income (loss) available to common stockholders and adjusted net income (loss) per share that excludes certain charges and/or credits, such as amortization expense, acquisition-related net charges (credits) and investment impairment net charges (credits). These non-GAAP financial measures are not in accordance with generally accepted accounting principles in the United States and should not be considered in isolation from or as a replacement for the most directly comparable GAAP financial measures. Further, other companies may calculate these non-GAAP financial measures differently than we do, which may limit the usefulness of those measures for comparative purposes. For further information regarding our non-GAAP measures, see Part II, Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations in our most recent Annual Report on Form 10-K, which we may update in Quarterly Reports on Form 10-Q we have filed or will file hereafter.

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¹ World Health Organization. [https://www.who.int/en/news-room/fact-sheets/detail/cardiovascular-diseases-\(cvds\)](https://www.who.int/en/news-room/fact-sheets/detail/cardiovascular-diseases-(cvds)). Accessed January 5, 2021.

² Teplitzky, et al. *Heart Rhythm Journal*. 2020;5 881 - 888.

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<https://stage.mediaroom.com/bostonscientific/2021-01-21-Boston-Scientific-Announces-Agreement-To-Acquire-Preventice-Solutions-Inc>