

Oncodesign maintains its revenue and operating income at €38 million in 2020 and is anticipating an operating profit for the 2nd straight year, within the context of the global public health crisis

- Revenue and operating income maintained at €38.3 million (-3%)
- 2020 Group revenue of €25.5 million, down slightly (- 5%) after the exceptional growth of 34% recorded in 2019
- The Service BU's contribution to Group revenue remained stable at €21.1 million, offering good prospects for 2021 with a sharp increase in the order book (+36%)
- Biotech BU recurring revenue of €3.4 million, up 20%; over €1 million in milestone payments in 2020
- Solid cash position of €28.8m, including €15.9m in State-Guaranteed Loan financing
- Finalization of the structuring of the Group into three Business Units

Dijon, France, January 28, 2021, 5:45 pm CET – ONCODESIGN (ALONC – FR0011766229), a biopharmaceutical group specialized in precision medicine, announces that its 2020 operating revenue has held up at €38.1 million and it is anticipating an operating profit for the second year in a row, despite the global public health and economic crisis.

Philippe Genne, Chairman, Chief Executive Officer and Founder of Oncodesign, says: *“2020 was a year that put the spotlight on the pivotal role of the health sector and the need to invest in new healthcare technologies in this sector. Global pharmaceutical research successfully rallied round to meet the very tough challenge of delivering therapeutic solutions that are effective against the COVID-19 virus in barely a year. Public health took precedence over the economy and, having met the challenge, the pharmaceutical industry is now in phase with its primary mission again. Within this international context of extreme and persistent focus, Oncodesign has shown resilience and ingenuity to stay on course, as illustrated by us maintaining our operating revenue at 38 million euros (-3%) following the exceptional performance recorded in 2019. Group revenue was €25.5 million (-5%), still driven by our Service activity whose contribution was €21.1 million, with at the same time a high level of investment in our flagship RIPK2 and MNK1,2 projects.*

Oncodesign was able to rapidly reposition itself and deploy a COVID-19 service offer in just a few months to meet the needs of its clients, enabling us to sign over €3 million in orders with this new offer and achieve €1.5 million in revenue over the final part of the year. This partly offset the general slowdown observed in our other therapeutic fields, and especially the lengthening of decision-making times that weighed on our Service and Biotech activities.

We also welcome the progress made by our LRKK2 program, which reached a new milestone at the start of the year and which will continue in 2021. Servier laboratories have thus confirmed their interest in this program and are planning to continue their collaboration with our teams over the coming months. Lastly, we are seeing growing interest from pharmas in our ODS-101 drug candidate as the results of the ongoing development phases come in, IND being scheduled for mid-2021.

The public health crisis associated with COVID-19 has slowed our ability to achieve our growth targets set in 2020, but everything is in place for us to meet our targets in 2023. More than ever, I would like to thank our teams for their commitment, their tenacity, their creativity and their ability to adapt and continue making progress, as well as the trust and commitment of our shareholders”.

Arnaud Lafforgue, Oncodesign’s Chief Financial Officer, adds: “Within the context of an unprecedented year in 2020, we were able to maintain our revenue and profitability. These results strengthen our confidence in Oncodesign’s ability to reach all its objectives, i.e. grow Service revenue to €50 million by 2023 with EBITDA of between 15% and 20%, take 3 drug candidates to the clinical phase and develop Artificial Intelligence BU revenue. Furthermore, our record cash position of €28.8 million (including €15.9 million in State-Guaranteed Loans) allows us to face the future with confidence”.

Oncodesign group - Key figures

€ millions Consolidated data, unaudited	2020	2019	Change
Service BU external revenue	21.13	21.08	+ 0.2%
Biotech BU revenue	4.40	5.84	- 25%
<i>Biotech BU recurring revenue</i>	3.40	2.84	+ 20%
<i>Biotech BU Up-Front/Milestone revenue</i>	1.00	3.00	- 67%
Total revenue	25.53	26.92	- 5%
Other revenue and operating income ⁽¹⁾	12.79	12.60	+ 2%
Total revenue and operating income	38.32	39.52	- 3%
Cash position (at December 31)	28.80	10.51	+ 174%

⁽¹⁾ including the subsidy received from GSK every January for the previous year. The final GSK subsidy payment was in January 2020.

Group revenue totaled €25.5 million in 2020, illustrating the good resistance of the economic model deployed by Oncodesign, which limited the decrease to 5% despite the previous year’s exceptional growth of 34%.

Service BU External Revenue of €21.1 million in 2020, stable compared with 2019

Oncodesign Service BU – Breakdown in revenue

€ millions Consolidated data, unaudited	2020			Change H1-H2	2019			Change H1-H2	Change 2019-20
	H1	H2	Total		H1	H2	Total		
External revenue	9.03	12.10	21.13	+ 34%	10.10	10.98	21.08	+9%	=
Internal revenue ⁽¹⁾	4.97	3.13	8.10	- 37%	3.66	3.66	7.32	=	+ 11%
Total revenue	14.00	15.23	29.23	+ 9%	13.76	14.64	28.40	+ 6%	+ 3%

⁽¹⁾ Internal revenue is canceled in the presentation of consolidated accounts

In 2020, the Service BU revenue recorded with external clients came to €21.1 million, stable compared with 2019. When internal revenue (corresponding to services provided by the Service BU to the Biotech BU) is added, total Service BU revenue was €29.2 million.

The persisting crisis is notably creating a polarization problem for the pharmaceutical industry regarding the treatment of COVID, resulting in significant delays in the decision-making process that is affecting our Service revenue, as well as that of our Biotech BU.

In the first half of the year, the Service BU's External revenue totaled €9 million and was impacted by the emergence of the public health crisis leading to global paralysis over the first months and in particular the cancellation of scientific conferences, forums and meetings with clients, as well as a status quo or postponement regarding the signing of new business. During the second half of the year, on the contrary, this External Service revenue recorded strong growth to €12 million, +34% compared with the first half of the 2020 and +10% compared with the second half of 2019. This increase in activity for our clients (External revenue) led to a decrease in Internal revenue (for the Biotech BU). The putting in place of digital set-ups to maintain contact with our clients (videoconferences, webinars, etc.), the business continuity plan executed by the Company to keep our laboratories open without interruption and the implementation – in record time – of a new Service offer relating to COVID-19, combined with industrialists' requirements, allowed us to reverse the trend and maintain our level of revenue during the global health crisis. The Company thus generated revenue of €1.5 million from its COVID-19 offer in IDMIT¹ infrastructures in partnership with the CEA.

Service order book: €26 million, +36%

The order book grew sharply by +36%, with €26 million of orders booked in 2020 versus €19 million in 2019. The second half of the year alone enabled us to book €15 million in new orders, a record for Oncodesign.

€ millions	2020	2019	Change
France and Southern Europe	8.2	9.8	- 16%
North America	4.1	2.5	+ 66%
Northern Europe	1.0	1.4	- 27%
Central Europe	7.1	2.8	+ 154%
Asia (Japan & South Korea)	5.4	2.6	+ 108%
Oceania	0.1	ns	na
Total	25.9	19.1	+ 36%

The geographical split in our order book has shifted, with substantial diversification in the geographical origin of our clients: in particular the major trends already observed in Asia and North America. Japan and South Korea thus accounted for 21% of the total order book in 2020, with €5.4 million in new orders booked, double the previous year's figure. North America is continuing to grow and accounted for €4 million of orders in 2020 compared with €2.5 million in 2019 (+66%), or 15% of total orders in 2020. This internationalization, as well as illustrating the growing recognition enjoyed by Oncodesign, represents an important guarantee of a reduction in risks during a crisis by making us less dependent on a specific geographical region.

¹ Infectious Disease Models and Innovative Therapies

Part of this commercial performance was due to the COVID-19 offer, which alone accounted for €3 million in new orders in 2020, the vast majority with new clients.

We are also continuing to deploy our strategy of developing new offers: INPACT and DRIVE, strategic multiyear service partnerships incorporating all or part of the Drug Discovery know-how of our technological platforms in oncology, inflammatory disorders and infectious diseases. These multiyear contracts guarantee visibility on our laboratories' medium- to long-term activity (12 to 18 months). We are starting 2021 with close to €13 million in revenue to realize, up 52% on the same period last year.

The DRIVE SM offer was launched in mid-2020 and suffered from the global context and the lack of visibility. A number of clients expressed their interest in 2020 and a first contract has been signed since the start of 2021. The international consortium it is based on is ramping up on a commercial level.

Biotech BU recurring revenue up 20%

The Biotech BU's recurring revenue relates to research work on the LRRK2 program in partnership with Servier. It totaled €3.4 million in 2020 versus €2.8 million in 2019, an increase of 20%. This growth was primarily due to the "full-year" effect of the partnership in 2020 – it having begun in March 2019 – but also to an acceleration in the program on the initiative of Servier.

However, revenue associated with up-front/milestone payments, non-recurrent by their very nature, was down in 2020, with a single milestone payment of €1 million received in February 2020.

Other revenue and operating income steady at €12.8 million

Other revenue and operating income totaled €12.8 million, +2% compared with 2019. The final payment, in January 2020, of the GSK subsidy, following the agreement to take over the Les Ulis site, was €7.9 million. We have seen a decrease in Research Tax Credit to €3.2 million (-6%), inherent to the eligibility of our projects for this tax credit and the distribution between our French and foreign clients. On the other hand, we recorded an increase in other revenue (capitalized production, day-to-day running income, transfers of expenses and provision reversals) to €1.7 million, +31%.

Cash position at a record high at December 31, 2020

Oncodesign's cash position has reached a record high of €28.8 million, a figure that includes €15.9 million in State-Guaranteed Loans granted in September 2020.

Excluding this State-Guaranteed Loan financing, the Company's cash position would be €12.9 million at December 31, 2020 versus €10.5 million at December 31, 2019. This level of cash should be read taking into account the fact that Oncodesign had regularized all deadline postponements and deferrals that had been authorized by the Government during the year.

About ONCODESIGN: www.oncodesign.com

Founded 25 years ago by Dr. Philippe Genne, the Company's CEO and Chairman, Oncodesign is a biopharmaceutical company dedicated to precision medicine. With its unique experience acquired by working with more than 800 clients, including the world's largest pharmaceutical companies, along with its comprehensive technological platform combining state-of-the-art medicinal chemistry, pharmacology, regulated bioanalysis, medical imaging and Artificial Intelligence, Oncodesign is able to predict and identify, at a very early stage, each molecule's therapeutic usefulness and potential to become an effective drug. Applied to kinase inhibitors, which represent a market estimated at over \$65 billion by 2027 and accounting for almost 25% of the pharmaceutical industry's R&D expenditure, Oncodesign's technology has already enabled the targeting of several promising molecules with substantial therapeutic potential, in oncology and elsewhere, along with partnerships with pharmaceutical groups such as Servier. Oncodesign is based in Dijon, France, in the heart of the town's university and hospital hub, and within the Paris-Saclay cluster. Oncodesign has 233 employees and subsidiaries in Canada and the USA.

Contacts

Oncodesign

Philippe Genne
Chairman and CEO
Tel. : +33 (0)3 80 78 82 60
investisseurs@oncodesign.com

NewCap

Investor Relations
Mathilde Bohin / Louis-Victor Delouvrier
Tel. : +33 (0)1 44 71 94 95
oncodesign@newcap.eu

NewCap

Media Relations
Arthur Rouillé
Tel. : +33 (0)1 44 71 00 15
oncodesign@newcap.eu



Disclaimer

This press release contains certain forward - looking statements and estimates concerning the Company's financial condition, operating results, strategy, projects and future performance and the markets in which it operates. Such forward-looking statements and estimates may be identified by words such as "anticipate," "believe," "can," "could," "estimate," "expect," "intend," "is designed to," "may," "might," "plan," "potential," "predict," "objective," "should," or the negative of these and similar expressions. They incorporate all topics that are not historical facts. Forward looking statements, forecasts and estimates are based on management's current assumptions and assessment of risks, uncertainties and other factors, known and unknown, which were deemed to be reasonable at the time they were made but which may turn out to be incorrect. Events and outcomes are difficult to predict and depend on factors beyond the Company's control. Consequently, the actual results, financial condition, performances and/or achievements of the Company or of the industry may turn out to differ materially from the future results, performances or achievements expressed or implied by these statements, forecasts and estimates. Owing to these uncertainties, no representation is made as to the correctness or fairness of these forward-looking statements, forecasts and estimates. Furthermore, forward-looking statements, forecasts and estimates speak only as of the date on which they are made, and the Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise, except as required by law.