



PRESS RELEASE

Oncodesign reports its FY 2016 revenue

- €12.7 million in operating revenue
- Acceleration of business expansion in North America and Asia
- Experimentation order book up 95% to €8.2 million
- €9.6 million in net cash¹ vs. €9.2 million as of December 31, 2015

Dijon, France, January 31, 2017 - ONCODESIGN (FR0011766229 - ALONC), a biotechnology company serving the pharmaceutical industry in the discovery of new therapeutic molecules to fight cancer and other serious illnesses with no known effective treatment, reports its full-year 2016 revenue and its cash position as of December 31, 2016.

€ million	2016 ⁽²⁾	2015	2014	Change
<i>unaudited data</i>	<i>(consolidated data)</i>	<i>(non-consolidated data)</i>	<i>(non-consolidated data)</i>	<i>2016 vs. 2015</i>
Experimentation revenue	8.79	9.37	6.12	-6.2%
Discovery revenue	2.41	5.15	1.06	-53.2%
Total revenue	11.20	14.52	7.18	-22.9%
Other operating revenue	1.51 ⁽³⁾	0.54	0.50	+180%
Total operating revenue	12.71	15.06	7.68	-15.6%
Cash position¹ (as of December 31)	9.6	9.2	10.2	

⁽²⁾ Oncodesign presented for the first time in 2016 consolidated accounts including its North American subsidiaries, whose contribution to turnover was null for the previous fiscal years

⁽³⁾ o/w €1.3 million received from GSK in December 2016 in respect of the acquisition of the François Hyafil center

“Our 2016 revenue should be put into perspective, both in Discovery, given the strong base effect of last year, which benefited from non-recurring payments from BMS and UCB, as well as in Experimentation, whose new orders grew to reach historic heights. These new orders reflected our drive to win larger, multi-year service agreements, as we did with Ipsen and GSK in the United States, providing us with sound visibility,” said Philippe Genne, Oncodesign’s founder and CEO. “2016 was also a year of many accomplishments. We launched the clinical trials of our very first molecule. Our business really took off in North America and Asia. We acquired the François Hyafil center from GSK to step up the pace of our Discovery programs and to expand our service offering. Lastly, our strategic partnership with BMS gained considerable momentum, with several targets being identified, and two of these are already being studied. Thanks to our cash position and milestone payments, including from GSK, 2017 is starting on a very bright note, as we seek to execute our strategic plan and deliver on our target of reaching €40 million in revenue and positive margins by 2020.”

Experimentation: increase in new orders in 2016

Experimentation revenue came to €8.8 million, down from €9.37 million in 2015. Conversely, new orders rose 28% to a new record high of €12.8 million, including the strategic preclinical experimentation partnership entered into with Ipsen for its oncology research programs and a service agreement with GSK in the United States. The order book stood at €8.2 million at December 31, 2016, up 95%.

¹ The net cash position represents cash and cash equivalents minus short-term financial debts

An analysis by geographical region shows that revenue in France remained stable (€2.14 million in 2016 vs. €2.15 million in 2015). North America and Asia delivered growth of 25% and 174% respectively in 2016. Revenue growth in these regions, which now account for close to 40% of Experimentation revenue, made up for the bulk of the revenue contraction in Europe (outside France).

Discovery: acceleration in in-house programs

In 2016, revenue from research partnerships, among which with Ipsen, UCB and BMS, totaled €2.4 million, compared with €5.15 million in 2015 and €1.06 million in 2014.

For the record, Oncodesign received two non-recurring payments in 2015 for two major advances. The first derived from the exercise by UCB in June 2015 of its option to obtain a license to an Oncodesign program targeting neurological diseases. The second reflected the strategic drug discovery partnership formed with Bristol-Myers Squibb in late 2015, which triggered an upfront payment of \$3 million to Oncodesign (recognized in revenue in the year ended December 31, 2015 and received on January 5, 2016).

In addition, the acquisition of the François Hyafil research center from GSK in December 2016 will speed up the expansion of Oncodesign's technology and skills portfolio across all its therapeutic areas. GSK is providing financial support for the transfer of this center. Oncodesign will receive a total of €35 million over four years, including a €1.3 million payment already made in late 2016.

€9.6 million in net cash vs. €9.2 million as of December 31, 2015

As of December 31, 2016, Oncodesign's net cash stood at €9.6 million, up €0.4 million compared to December 31, 2015. This performance is testimony to Oncodesign's financial strength and its ability to finance its development without having to employ any instruments diluting its shareholders' interests.

For 2017, Oncodesign's principal strategic priorities will be:

- Development of its Discovery programs, both in-house and under partnerships—including its radiotracer program currently at the clinical trial stage, for which patient enrolment continues
- Additions to its technology portfolio with the new OncoSnipe and TOT technology modules
- Integration and promotion of synergies with the François Hyafil research center
- Further international expansion of its Experimentation and Discovery activities, with commercial service offerings in four new therapeutic areas (inflammatory diseases and fibrosis, cardio-metabolism, diabetes, infectious diseases) and in the new preclinical proof of concept and full-service drug discovery markets.

Next report: Full-year 2016 results on Thursday, March 30, 2017 (after market close)

About d'ONCODESIGN : www.oncodesign.com

Founded over 20 years ago by Dr Philippe Genne, the Company's CEO and Chairman, Oncodesign is a biotechnology company that maximises the pharmaceutical industry's chances of success in discovering new therapeutic molecules to fight cancer and other serious illnesses with no known effective treatment. With its unique experience acquired by working with more than 600 clients, including the world's largest pharmaceutical companies, along with its comprehensive technological platform combining state-of-the-art medicinal chemistry, advanced animal modelling and medical imaging, 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 \$46 billion in 2016 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 Bristol-Myers Squibb, Ipsen and UCB. 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 165 employees and subsidiaries in Canada and the USA.

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