

Oncodesign: strong growth in operating revenue in 2017

- Operating revenue up 75% to €22.41 million
- Service sales up 52% to €13.55 million (+30% like-for-like)
- Cash position of €9.8 million before payment of €7.9 million from GSK in January 2018

Dijon, France, January 30, 2018, 6:00pm CEST - ONCODESIGN (FR0011766229 - ALONC), a biopharmaceutical company specializing in precision medicine whose aim is to discover new therapeutic molecules to fight cancer and other serious illnesses with no known effective treatment, announces its 2017 revenues and its net cash position as at 31 December 2017.

| € million <i>consolidated figures - unaudited</i> | 2017 | 2016 | Change | Like-for-like change ⁽¹⁾ |
|---|--------------------|---------------------|-------------|--|
| Service sales | 13.55 | 8.89 | +52% | +30% |
| Partnership sales | 0.86 | 2.41 | -64% | -64% |
| Total sales | 14.41 | 11.30 | +28% | +10% |
| Operating subsidy | 8.0 ⁽²⁾ | 1.51 ⁽³⁾ | +430% | +430% |
| Total operating revenue | 22.41 | 12.81 | +75% | +59% |
| Net cash position⁽⁴⁾ (as of December 31) | 9.8 | 9.6 | | |

⁽¹⁾ Excluding Bertin Pharma operations

⁽²⁾ Including €7.9 million received from GSK in January 2017 in respect of the acquisition of the François Hyafil center

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

⁽⁴⁾ The net cash position represents cash and cash equivalents minus short-term financial debts

"2017 was a year of strong growth and played a very structural role in achieving our target of generating sales of at least €40 million by 2020. The acquisition of Bertin Pharma's Service business, coupled with strong sales and marketing, allowed us to deliver growth of over 50% in Service sales in 2017. By consolidating our Partnership sales and with the financial support of GSK in respect of the acquisition of the François Hyafil R&D center, our operating revenue totaled over €22 million, an increase of 75%," said **Philippe Genne, Oncodesign's CEO and founder**. "With the successful integration of the François Hyafil center in 2017, located within the Paris Saclay biosciences cluster, we are fully operational and able to present our new enhanced Service offering in 2018. This acquisition also allows to step up the development of our Drug Discovery programs, with major advances in 2017 such as ALK1, MNK1/2 and the first positive results of clinical trials for our radiotracer, the full results of which are expected in the first half of 2018."

Service sales: performance supported by strong sales (+30%) and the integration of operations acquired from Bertin Pharma (+22%)

2017 Service sales came to €13.55 million, up 52% compared with €8.89 million in 2016. Like-for-like, not including sales from Bertin Pharma operations acquired on September 1, 2017, sales increased by 30% to €11.55 million.

2017 was a strong year in terms of sales and marketing with over 45 new clients won, as well as the ramp-up of multiyear contracts signed in 2016, such as with Ipsen for preclinical experimentation in oncology research programs. The order intake rose significantly in both Europe (+84%, excluding Ipsen contract and GSK in 2016) and North America (+55%). In total, the order book stood at €9.4 million at the end of 2017 compared with €8.2 million at December 31, 2016, an increase of 15%.

International expansion and the extended range of services provided are the two drivers behind the medium-term growth in Oncodesign's Service activities.

Partnership sales: performance impacted by a negative base effect (two milestone payments in 2016) and recovery of the LRRK2 program

2017 sales from research partnerships, in particular with UCB and BMS, totaled €0.86 million compared with €2.41 million in 2016. However, 2016 sales included two milestone payments from BMS. The decline in Partnership sales was also due to the partnership with Ipsen concerning the LRRK2 program coming to an end in March 2017. Thanks to the skills acquired within the takeover of the François Hyafil center, Oncodesign is continuing to develop the program on its own in order to bring it to a more advanced stage before licensing it.

In addition, the François Hyafil center has allowed Oncodesign to step up its Drug Discovery programs. In 2017, Oncodesign obtained a number of positive results allowing for advances to be made its ALK1 and MNK1/2 programs, which are in the Lead Optimization phase, the final stage before selection of a drug candidate.

Oncodesign also presented promising initial clinical results for its innovative mutated anti-EGFR radiotracer in patients with non-small cell lung cancer. The full results of the clinical trial currently in progress are still expected in the first half of 2018. If these results are positive, they would enable Cyclopharma – the partner of Oncodesign – to directly allow the design of a Phase 3 clinical trial with the final objective of application for Marketing Authorization.

Cash position of €9.8 million before payment of €7.9 million from GSK in January 2018

The cash position net of short-term financial debts as at December 31, 2017, was €9.8 million, compared with €9.6 million as at December 31, 2016. The cash position as at December 31, 2017, includes in particular the leaseback agreement concerning the François Hyafil center buildings over a period of 15 years (which will be owned again by Oncodesign at the end of this period) and for a net amount of €8.2 million, in exchange for an equivalent amount recognized under medium- to long-term financial debt. This agreement – which has a non-dilutive impact – will therefore enable Oncodesign to finance the sharp increase in its capital expenditure on both R&D and acquisitions, with flexibility and under favorable terms.

Noted that financial support from GSK in respect of 2018 (paid in January) in the amount of €7.9 million was not yet included in the cash position at end-2017. Oncodesign will also benefit from a similar amount each year over the next two years (last payment due in January 2020).

Next financial release: 2017 full-year results, April 11, 2018 (after market close)

About ONCODESIGN: www.oncodesign.com

Founded over 20 years ago by Dr Philippe Genne, the Company's CEO and Chairman, Oncodesign is a biopharma company dedicated to the precision medicine. 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, pharmacology, regulated bioanalysis 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 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 220 employees and subsidiaries in Canada and the USA.



Vector of innovation.



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