

Oncodesign announces a 2021 turnover of €31.3M, up by 22%, and expects to break even

PRESS RELEASE



- Group turnover up by 22% at €31.3M
- Service BU turnover: organic growth supported by a 30% increase in external turnover at €27.6M, and an order book up by 39% at €36M, despite the pandemic
- Confirmation of the €50M objective for Service BU turnover by 2023
- Biotech BU: turnover of €3.7M, including the €2M milestone for the LRRK2 program in partnership with Servier for the selection of its drug candidate
- Stable operating income and revenue at €36.1M, compensating for the planned discontinuation of the GSK subsidy (€8M) and making it possible to expect operating profit/loss at break-even point
- Solid cash position of €25M at December 31, 2021

In Dijon, France, on January 27, 2022, at 5:45 pm – ONCODESIGN (ALONC – FR0011766229), a biopharmaceutical group specializing in precision medicine, announces its turnover for 2021 and takes stock of its activities.

Oncodesign Group - Key figures

In €M Unaudited consolidated data	2021	2020	Evolution	
			In %	In value
Service BU turnover	27.6	21.1	+30%	+6.4
Biotech BU turnover	3.7	4.4	-16%	-0.7
Total turnover	31.3	25.5	+22%	+5.7
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Other operating income and revenue	4.8	13.0	-63%	-8.2
Total operating income and revenue	36.1	38.5	-6%	-2.4
Available cash flow (as at 12/31)	25.4	28.8	-12%	-3.4

(*) includes the GSK subsidy received every year until January 2020.

Philippe Genne, Chairman and CEO of Oncodesign, states: "Oncodesign continues to further its growth despite the ever-present global health crisis, and its turnover has reached an all-time high at €31.3M, up by 22% compared with the previous year. The Service BU plays a crucial role in this development, with the organic growth of its external turnover up by 30% at €27.6M. The order book of €36M signed in 2021 (+39%) ensures a particularly positive outlook for 2022 with a stock of over €20M to be produced. Already up by 34% at €26M in 2020, this order book is a testament to the strong, sustainable development of our Service BU activity. Our new website and new integrated Service offers were launched in the second half of the year and will be continued in 2022. The new DRIVE-MRT service offer provides access to our unique Pharmimage

technological platform, particularly favored by the North American market (order book of €10.2M signed, having doubled compared to 2020) and its design is sure to meet all our customers' expectations in terms of innovation. The current unbridled race to buy out CROs¹ confirms the strategic position of these Contract Research Organizations in the health sector and notably in terms of Drug Discovery. The Biotech BU has also achieved tremendous success with the selection of its second drug candidate under the LRRK2 program, combined with the €2M payment from our partner Servier. The two initial drug candidates derived from our proprietary Nanocyclix[®] technology (LRRK2 and RIPK2 inhibitors) will begin clinical trials in 2022."

Arnaud Lafforgue, Chief Financial Officer of Oncodesign, adds: "2021 was a pivotal year for Oncodesign. Our Company succeeded in maintaining its revenue at €36.1M, thus mitigating the planned discontinuation of the annual €8M GSK subsidy, and allowing us to aim for a net profit/loss at break-even point. Our cash position of over €25M is bolstered by the strong growth of our Service BU activity and the payment of €2M made by Servier for the latest milestone in September 2021. Through this available cash flow, the Group has the means to fund research programs under the Biotech BU (ODS-101 and our new systemic radiotherapy approach) and to see through its external growth policy for the Service BU."

Service BU: Strong growth for both external turnover (+31%) and the order book (+39%)

Oncodesign - Service BU

In €M	FY 2021	FY 2020	Evolution 2020/2021
Unaudited consolidated data			
External turnover	27.6	21.1	+31%
Internal turnover	3.4	8.5	-60%
Turnover	31.0	29.6	+5%

The Service BU achieved a total turnover of €31M in 2021, up by 5% primarily thanks to the increase in external turnover (+31%), which amounts to €27.6M, thus offsetting the €3.4M drop in internal turnover² for the Biotech BU in 2021. The expected development schedule for therapeutic products, particularly with ODS-101 entering the regulatory development phase, led to a certain level of expenditure in 2021 with external service providers. The fact that these services are no longer provided by the Service BU for the Biotech BU explains the observed drop in internal turnover.

In line with the previous financial years, external turnover has very significantly increased in North America and Asia (+102% and +70% in growth, respectively), driven by the signing of several multi-year service contracts with biotech corporations.

Oncodesign Service - Turnover by geographic area

In €M	FY 2021	FY 2020	Evolution 2020/2021
Unaudited consolidated data			
Europe	17.0	15.5	+10%
Asia	4.0	2.4	+70%
North America	6.6	3.3	+102%
Total	27.6	21.1	+31%

Despite the pandemic limiting travel, trade fairs and forums, our order book has increased by 39% to €36M, which is a new record for Oncodesign.

Oncodesign Service - Order entry

In €M	FY 2021	FY 2020	FY 2019	Evolution	
Analytical data	2021	2020	2019	2020/2021	2019/2020
Europe	20.5	16.3	14.0	+26%	+16%
Asia	5.2	5.5	2.8	-5%	+96%
North America	10.2	4.1	2.5	+149%	+66%
Total	35.9	25.9	19.3	+39%	+34%

¹ CRO: Contract Research Organisation

² Internal Turnover: Turnover due to the Biotech BU's orders

As a reminder, this order book amounted to €26M in 2020 (already up by 34%) and almost €20M in 2019 and has therefore almost doubled in the space of two years.

We have seen a sharp increase in orders in North America (+149%) at €10.2M and Europe (+26%), and stability in Asia at over €5M.

The year was also marked by a swift acceleration in order entries during the second half, with €20.4M in orders signed following the €15.6M signed in the first half. This increase of 23% compared to the first half of 2021 was notably driven by the signing of contracts in North America (€7.9M in the second half, up by 70%), while several significant contracts were signed in Asia in the first half (€3.5M in orders signed in the first half, then €1.8M in the second half).

Multi-year service contracts (such as DRIVE or INPACT), which represent the primary focus of the BU, amounted to €15M across all orders for the entire year. Finally, demand for COVID-19 studies has remained high with over €4M in order signed with Oncodesign in 2021.

Consequently, the considerable development of the order book shows a highly active market. Along with potential for external growth, we are confident that we will achieve our objective for €50M in turnover in 2023.

Biotech BU: Stable turnover at €3.7M, including the €2M milestone

The Biotech BU achieved a turnover of €3.7M in 2021, compared with €4.4M the previous year. In 2021, Oncodesign received €2M from Servier for a new milestone. This milestone follows the €3M milestones already paid upon signing, and the €1M milestone paid in April 2020 for the development of LRRK2 kinase inhibitors for Parkinson's disease. Coverage for research costs included, Oncodesign has now received over €13.5M from Servier for this project.

In the second half of 2021, the Biotech BU signed an advance research partnership agreement with Korean company TiumBio for the identification, chemical synthesis and optimization of Nanocyclix[®]-derived molecules. This partner will be in charge of thoroughly assessing the anti-fibrotic efficacy of the drug candidates. As of the second half of 2021, Oncodesign has already received funds intended to cover research costs (amount kept confidential), and TiumBio currently holds an exclusive licensing option for the international rights to develop and market any drug candidates discovered after their assessment, although this option may be lifted next year (the sums in question cannot be disclosed at this point in time).

AI BU: Continuing its structuring

The Artificial Intelligence BU is undergoing technological structuring around the construction of an innovative platform for selecting therapeutic targets, focused on the development of the OncoSNIPE[®] project, the IMODI[®] project and several other academic collaborations. An advance commercial partnership offer has been set up and validated with the pharmaceutical industry, which will allow for the signing of partnership agreements relating to the discovery of new therapeutic targets in oncology.

Solid cash position of €25.4M at December 31, 2021, making it possible to comfortably anticipate future developments

The Company's available cash flow includes the €15.9M received in the context of the French State-guaranteed loan for which Oncodesign applied in September 2020, the collection of recurring revenue for the Service BU, research tax credit for 2020 in the amount of €3M and the €2M from Servier for the LRRK2 milestone received in September 2021.

Next financial publication:

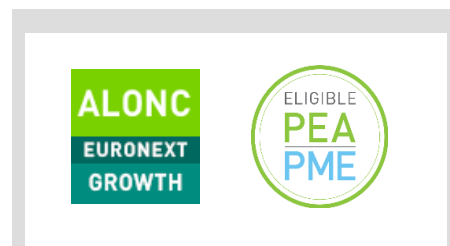
Annual results for 2021 – April 7, 2022 (after market closing)

About Oncodesign: www.oncodesign.com

Oncodesign is a biopharmaceutical company specializing in precision medicine, founded in 1995 by its current CEO and majority shareholder. It has been listed on the Euronext Growth Market since April 2014. Its mission is to discover effective therapies to fight cancer and other diseases without a therapeutic solution. With its unique experience, enriched thanks to over 1,000 customers – including the world's largest pharmaceutical companies – and based on a one-of-a-kind technological platform combining artificial intelligence, medicinal chemistry, pharmacology, regulatory bioanalysis and cutting-edge medical imaging, Oncodesign is able to select new therapeutic targets, then design and develop potential preclinical candidates up to the clinical phase stage. Oncodesign has configured its organization to offer innovative services to its customers and licenses for its proprietary molecules. When applied to kinase inhibitors – molecules that represent a market estimated to be worth more than \$65 billion by 2027 and nearly 25% of R&D investments in the pharmaceutical industry – Oncodesign's technology has already made it possible to target several molecules of interest with a high therapeutic potential, both in and outside of oncology, and has signed partnerships with international pharmaceutical groups. Based in Dijon, France, at the heart of the University Hospital complex as well as the Paris-Saclay complex, Oncodesign boasts 230 employees across three Business Units (BU) – Service, Biotech, and Artificial Intelligence – and has subsidiaries in Canada and the United States.



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Forward-looking statements

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