

## Oncodesign in 2018: second consecutive year of strong growth in operating revenue, up 20% to €31.1 million

- Operating revenue broke through the €30 million barrier after a further 20% increase
- Sales grew 40% to €20.1 million
- Service sales rose 41% to €19 million and have more than doubled (up 116%) in the last two years
- Cash position of €10.1 million (up 3%) at December 31, 2018

Dijon, France, January 31st, 2019 at 6.30pm CEST – Oncodesign (ALONC – FR0011766229), a biopharmaceutical group specialised in precision medicine, announces very strong 2018 sales growth and its cash position at December 31, 2018.

€ million <i>Consolidated figures -unaudited</i>	2018	2017	Change
Service sales	19.02	13.45	+41.4%
Partnership sales	1.04	0.86	+20.5%
<b>Total sales</b>	<b>20.06</b>	<b>14.31</b>	<b>+40.2%</b>
Other operating revenue <sup>(1)</sup>	11.02	11.57	-4.7%
<b>Total operating revenue</b>	<b>31.08</b>	<b>25.88</b>	<b>+20.1%</b>
<b>Cash position (at December 31<sup>st</sup>)</b>	<b>10.1</b>	<b>9.8</b>	<b>+2.6%</b>

(1) including the subsidy received from GSK in January of each year in respect of the previous year, as well as the CIR research tax credit. The GSK subsidy amounted to €7.92 million. Payments in similar amounts will be made annually until January 2020. The CIR research tax credit is expected to be €3.1 million for 2018.

“Our operating revenue rose by around 20% and broke through the €30 million barrier for the first time. That growth was driven mainly by our sales, which rose above €20 million in 2018. They posted strong growth for the third straight year, rising by 40% after a 28% increase in 2017. We are therefore well on track to hit our ambitious target of achieving sales of at least €40 million in 2020, including €30 million from services,” said **Philippe Genne, CEO and founder of Oncodesign**. “This strong, steady growth in our sales shows that we are successfully integrating teams from the GSK research centre and Bertin Pharma and orchestrating our commercial expansion strategy perfectly. In practical terms, the expansion of our business outside of oncology will drive growth in our service business in the years to come. This is clearly demonstrated by the signature of our first integrated drug discovery services contract with Galderma, the pharmaceutical business of Nestlé Skin Health specialized in dermatology”

**Service sales – Signature of Oncodesign’s first multi-year IDDS (Integrated Drug Discovery Services) contract and roll-out of an expanded range of new services worldwide**

Service sales grew very strongly, rising 41.4% to €19 million. This growth stemmed from the signature of several one-year and multi-year service contracts, particularly with Erytech Pharma and Eisai, the renewal of the contract with Ipsen in oncology, and the dermatology IDDS partnership with Galderma, the medical solutions subsidiary of Nestlé Skin Health. The latter contract, the first signed by Oncodesign in this segment, makes the company a new entrant into the drug discovery services market. Its move into this market has been made possible by the acquisition of the GSK research centre in Les Ulis and the successful integration of its teams.

Business levels in North America (United States and Canada) continued to grow, with sales up 17% over the full year to almost €2 million, representing 10% of Service sales in 2018. North America is a major growth market for Oncodesign.

At constant scope (excluding the Bertin Pharma services business acquired in September 2017), sales in Oncodesign’s Service business totalled €14.2 million, also showing strong growth of 23% with respect to 2017.

Order intake amounted to €19.2 million in 2018, partly due to the signature of major new contracts including two with Galderma and Erytech Pharma, along with the integration of Bertin Pharma’s service business. Overall, the order book (i.e. orders yet to be fulfilled) amounted to €10.5 million on December 31st, 2018, as opposed to €9.4 million at December 31st, 2017, an increase of 13%.

**Partnership sales**

Sales in the Partnership business rose 21% to €1 million, driven by contributions from the various partnerships underway. Oncodesign has now decided to focus internally exclusively on developing its programmes based on kinase inhibitors resulting from Nanocyclix<sup>®</sup> (RIPK2, LRRK2, ALK1 and MNK1/2), on which it plans to spend €40 million between 2016 and 2020, and on its mutated anti-EGFR radiotracer. The aim is to enhance the value of these programmes in order to establish more mature partnerships on improved financial terms.

**Cash position at December 31<sup>st</sup>, 2018**

Oncodesign had available cash of €10.1 million at December 31<sup>st</sup>, 2018, an increase of €300 thousand or 3% relative to December 31<sup>st</sup>, 2017, despite ongoing heavy R&D expenditure. The cash position includes financial support from GSK with respect to 2018, which was paid in late January 2018 in an amount of €7.92 million. Oncodesign will receive a similar amount in the next two years (last payment due in January 2020). In addition, a CIR research tax credit of €3.3 million for 2017 was received in October 2018.

**Next financial release: full-year 2018 results, April 11, 2019 (after the market close)**

**About ONCODESIGN:** [www.oncodesign.com](http://www.oncodesign.com)

Founded over 20 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 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, 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 \$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 231 employees and subsidiaries in Canada and the USA.



*Vecteur d'innovation.*



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