



PRESS RELEASE

Full-year 2015 results: major improvement Update on all current programmes

- Substantial improvement in financial performance, including net profit of €1.2 million
- Further 54% increase in R&D expenditure on Nanocyclix technology
- Launch of new Discovery programmes
- Granting of key patents protecting Nanocyclix technology in the USA and Europe
- First molecule expected to enter clinical trials in 2016

Dijon, France, March 29, 2016 – Oncodesign (ALONC – FR0011766229), 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, has announced its full-year 2015 results and provided an update on its outlook for 2016.

Philippe Genne, Chairman and CEO of Oncodesign, said: "Our financial performance in 2015 once again proves that we have a robust, balanced business model combining recurring Experimentation revenue with major leverage from Discovery activities. While continuing our R&D efforts and putting in place the structures to support our rapid growth, we also generated a net profit of €1.2 million in 2015. Our Experimentation business is likely to see further solid growth in 2016, and we are starting new Discovery programmes, both with Bristol-Myers Squibb and on our own account. By becoming an innovative and profitable biotech company with industrial scale, Oncodesign will increasingly assert its position as the dominant partner for pharma groups in their innovation strategies in R&D."

2015 results showing strong growth, along with further investment efforts

€ million	2015	2014	Change
Experimentation revenue	9.37	6.12	+53%
Discovery revenue	5.15	1.06	+386%
Total revenue	14.52	7.18	+102%
Other operating revenue	0.54	0.5	+8%
Total operating revenue	15.06	7.68	+96%
Operating expenses	15.70	11.37	+38%
Operating profit/(loss)	-0.64	-3.69	n/a
Net profit/(loss)	1.21	-2.29	n/a
Cash position (as of December 31)	9.2	10.2	

Solid growth momentum in both Experimentation and Discovery businesses

In 2015, Oncodesign's revenue more than doubled from €7.2 million to €14.5 million.

Discovery revenue rose 386% to €5.2 million, mainly because of \$3 million of revenue from the strategic partnership with Bristol-Myers Squibb and the milestone payment received following the license agreement with UCB.

In Experimentation, revenue grew 53% to €9.4 million, due in particular to an 185% increase in North America and major programmes with clients like Cellectis, Synthron and Gilead. Order intake rose 35% year-on-year in 2015 to €10.0 million, a new record for Oncodesign.

A profitable year despite investment efforts

Revenue from Bristol-Myers Squibb and UCB, along with strong growth in its Experimentation business, meant that Oncodesign achieved a net profit of €1.2 million and a substantial reduction in its operating loss in 2015.

R&D expenditure rose a further 28%, including a 54% increase in spending on Nanocyclix, Oncodesign's technological platform dedicated to the discovery of next-generation kinase inhibitors. Patent-related expenses also rose sharply in 2015 (+90%), as did research tax credits (+38%). R&D efforts are continuing to focus on Oncodesign's main areas of activity, resulting in new projects in both oncology and other major therapeutic areas.

To support its business growth and increased R&D activity, Oncodesign also strengthened its organisation by recruiting new staff. In 2015, its workforce rose from 72 to 103 and payroll costs totalled €5.8 million, including the profit-sharing agreement set up during the year and bonuses paid to staff after the company hit certain financial targets.

Net cash of €9.2 million before receiving the \$3 million payment from Bristol-Myers Squibb

As of December 31, 2015, Oncodesign had net cash of €9.2 million and cash burn was only €1 million during the year, down 45% compared with 2014. Including the \$3 million received by Bristol-Myers Squibb on January 5, 2016, Oncodesign would even have generated €1.8 million of cash, while maintaining a high level of investment.

Update on current programmes and 2016 outlook

Further growth expected in Experimentation

With an order backlog of €4.3 million at end-2015 and solid commercial momentum, Oncodesign intends to continue growing its Experimentation business in 2016.

Growth will be driven by three factors in particular:

- A broader range of products and services
- A build-up of the North American organisation in Boston (marketing subsidiary) and Montreal (production subsidiary in partnership with Mispro Biotech Services)
- Efforts to form strategic Experimentation partnerships with major clients

Several potential long-term Experimentation service partnerships are currently being discussed with pharmaceutical companies. In addition, new skills and technologies arising from the increasing flow of Discovery projects should broaden the reach of the Experimentation business, from proof of concept in oncology to drug discovery full services.

Further strengthening of the technological platform

In line with the company's mission of providing innovative solutions for patients suffering from cancer and other serious illnesses with no known effective treatment, Oncodesign continued developing its translational technology platform, which is based on four technology modules: Chi-Mice, Predict, Pharmimage and Nanocyclix. This platform supports the development of all solutions, products and services, helping the company trial therapies and biomarkers, investigate new research pathways, and understand how dysfunctions arise by identifying new mechanisms of action.

Oncodesign is planning to continue its investment efforts in 2016 by initiating the development of two new technology modules, with the eventual aim of significantly increasing its ability to identify at a very early stage patients suffering from cancer and other serious illnesses that are resistant to current treatments, to develop the best diagnostic and therapeutic approaches. The company is aiming to offer an integrated platform that makes the connection between the patient, diagnosis, predictive models for pre-clinical proof of concept, and therapeutic solution.

The first of these new modules, Oncosnipe, is a bio-informatics module that should allow users to identify, within clinical databases, characteristics shared by sub-groups of patients who are resistant to available therapies, and to

develop and offer custom solutions. The second module, T.O.T (Time on Target), aims to develop cell-based technologies to connect new kinase inhibitors resulting from Nanocyclix with advanced in vivo models resulting from Chi-mice. The module will substantially speed up the progress of Oncodesign's programmes towards their therapeutic indication. The two modules will supplement Oncodesign's technological platform, while allowing faster, targeted ways of achieving precision medicine.

Granting of key patents protecting Nanocyclix technology in the USA and Europe

In 2015, Oncodesign continued to extend its intellectual property relating to its molecules and their priority targets. Overall, Oncodesign currently has 11 patents being assessed, relating to molecules and targets in its priority programmes. For some of those patents, national filing processes began in 2015. More filings are expected in 2016.

Two strategic patents protecting Nanocyclix technology were granted in the USA in 2015. One of those two patents was also granted in Europe on March 16, 2016, and the second is expected to be granted in the near future. The granting of a patent, which is critical for protecting innovation, marks the end of the examination process by the patent office concerned and confirms the novel nature and ownership of the invention. After these patent grants in 2015 and 2016, Oncodesign has secured its ownership of Nanocyclix technology and confirmed its leading position in research into next-generation kinase inhibitors.

First imaging radiotracer for cancer applications about to enter clinical trials

As expected, following the announcement of pre-clinical validation in late 2015, Oncodesign has just filed a request for clinical trial authorisation with the French regulatory authorities in relation to the first imaging radiotracer for cancer applications. Subject to approval by the regulatory authorities, the first patients could be enrolled by the third quarter of 2016.

This first radiotracer is the result of IMAkinib, the industrial strategic innovation programme supported by Bpifrance. It measures excess EGFR activity during tumour development, with the aim of optimising patient treatment and detecting any resistance at an early stage, particularly in lung cancer. The development is a collaboration with the Dijon cancer research centre represented by Professor Pierre Fumoleau, Cyclopharma and the Pharmimage hub.

Further development of own projects and addition of new targets

In both oncology and non-oncologic projects, Oncodesign is continuing to develop its own programmes, aiming to provide solutions to patients with unmet therapeutic needs.

The RIPK2 programme is focused on inflammatory autoimmune diseases such as Crohn's disease and rheumatoid arthritis. In 2015, it produced encouraging pre-clinical results, which were presented in the 10th Drug Discovery Chemistry conference in San Diego, USA. Based on these good results, Oncodesign has started looking for a pharmaceutical partner that specialises in this area. Advanced talks are currently underway with a small number of potential partners. As a result, a new partnership could be signed in 2016.

The SIK2 programme, which is targeting several types of cancer, and the TGFbR2 glioblastoma programme are continuing. The SIK2 programme formed part of an ambitious European project called Over-Myr, which involved several centres and experts specialising in multiple myeloma. Currently, several additional studies on SIK2-inhibitors are continuing in various laboratories.

As regards TGFbR2-inhibitors, molecular studies have shown differentiation of these molecules compared with similar competitive approaches. The best therapeutic uses for this target are currently being selected.

Alongside these programmes, Oncodesign is capitalising on Nanocyclix. This technology is an exceptional source of opportunities in the kinase field, which remains one of the key areas of interest for large pharmaceutical groups. Accordingly, Oncodesign has selected molecules produced by Nanocyclix to address promising new targets in areas such as immuno-oncology, Alzheimer's disease, cancer- and inflammation-related anemia and the rare disease of fibrodysplasia ossificans progressiva (FOP). For some of these targets, Nanocyclix molecules are "first in class" opportunities, addressing important markets for patients lacking adequate therapeutic solutions.

Progress with programmes in partnership with large pharmaceutical groups

The Parkinson's collaboration established with Ipsen in 2012 is continuing, with the aim of selecting the most promising drug candidate to inhibit the LRRK2 kinase in the brain. New molecules produced by Nanocyclix have been selected and advanced tests on them are ongoing. The characteristics of those molecules appear to be even more encouraging than those of ODS2005294, whose selectivity, activity and ability to cross the blood brain barrier have already been shown during the Neurosciences 2015 conference in Chicago. As a result, Ipsen and Oncodesign have decided to continue their collaboration to select and characterise their most promising LRRK2 inhibitor drug candidate.

The collaboration with Sanofi recently ended. It included the macrocyclization of Sanofi molecules that were originally generated not using Nanocyclix technology. The collaboration with UCB in the field of neurological diseases is continuing on schedule. After an 18-month short exploratory study, UCB exercised its licensing option, which represents a first in history for Oncodesign and gave rise to a milestone payment. A large-scale collaboration programme has now been launched to optimise molecules, with the aim of selecting a drug candidate in the next two to three years.

Finally, the strategic partnership announced in early 2016 with Bristol-Myers Squibb is in the build-up phase. The three-year partnership may be extended to five years, and covers several targets of interest to Bristol-Myers Squibb. So far, molecules produced by Oncodesign's Nanocyclix technology have shown initial efficacy and selectivity against several targets. Additional tests are currently being carried out to validate their potential, which could result in Bristol-Myers Squibb making its first milestone payments in 2016.

In early 2016, Oncodesign received an initial payment of \$3 million and may receive up to \$80 million per target depending on the attainment of research, development and regulatory milestones. Oncodesign may also receive tiered royalties on future sales and additional payments depending on the commercial performance of each product resulting from the collaboration. Overall, this partnership gives Oncodesign the potential to capitalise on its innovations with Nanocyclix and its other technology modules, by working with one of the world's leading pharmaceutical research companies on its priority targets.

Jan Hoflack, Oncodesign's Chief Scientific Officer, added: *"Oncodesign made great scientific progress in 2015. I would highlight the licensing agreement with UCB, the rapid expansion of our kinase inhibitor library – which enables us to launch new programmes with major potential – and our strategic partnership with Bristol-Myers Squibb, which takes our Discovery activities to the next level. As well as our balanced business model, we are mitigating the risks inherent in the biotechnology sector through diversification, with a growing number of collaborations and opportunities arising from our innovative molecules and targets. In contrast to approaches involving a single clinical-stage product, our approach allows us to capitalise on the potential of our platform while continuing to invest in our own programmes. We are pursuing a portfolio of programmes, both on our own account and under partnerships, while limiting the risks associated with pharmaceutical research, and we expect to start our first clinical trial this year. Accordingly, 2016 should bring even stronger growth in our R&D activities as we support those various programmes."*

Annual financial report:

The financial statements for the year ended December 31, 2015 were approved by the Board of Directors on March 23, 2016. The audit of the 2015 financial statements is in the process of being completed. Oncodesign's annual financial report will be available in April 2016.

Next financial publication: Revenue for the first half of 2016, Monday July 18, 2016 (after the market close)

Forthcoming events:

- SFAF meeting, Monday April 4 in Paris, France
- Portzamparc conference, Tuesday April 5 in Paris, France
- AACR congress, April 16-20, New Orleans, USA
- Kepler-Cheuvreux Biotech Days, Wednesday June 15 in Paris, France
- WPC congress, June 15-17, Boston, USA
- RICT 2016 International Conference on Medicinal Chemistry, July 6-8 in Caen, France

About 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 500 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 \$40 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. It has 103 employees and subsidiaries in Canada and the USA.

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