



## Promising first-half results for 2020 and record commercial invoicing

- **Sevenfold increase in half-yearly commercial invoicing to 5.8 million euros;**
- **Strong improvement in adjusted EBITDA for the first half of the year, at -3.1 million euros compared to -7.0 million euros a year earlier;**
- **Up to 25 million euros in revenues from new contracts signed since December 2019, mainly in upfront and milestone payments, expected over the next 4 years;**
- **Tens of millions of euros per year in additional licensing revenues (royalties) could be received from commercial launches of the co-developed solutions;**
- **Tripling of commercial invoicing expected in 2020 and confirmation of the objective of financial breakeven (adjusted EBITDA) expected in 2021.**

**Cambridge, MA, and Paris, France – September 29, 2020** – Voluntis (Euronext Paris, Ticker: VTX - ISIN: FR0004183960), a leader in digital therapeutics, today announced its results for the first half of 2020, as approved by the Board of Directors at its meeting on September 28, 2020, as well as its commercial and financial outlook.

On this occasion, Pierre Leurent, CEO of Voluntis, stated: *"We are satisfied with these first results since the presentation of our strategic roadmap last March. While IFRS impacts the reading of our accounts, the cash vision is promising. The strong increase in our commercial invoicing, combined with the ongoing adjustment of our cost base, allows us to significantly improve our adjusted EBITDA in line with our objectives."*

*Beyond the half-year accounts, the last nine months have been the most successful for the company in terms of revenue generation. The pre-launch revenues booked over the period exceed the cumulative amounts booked between 2011 and 2019. We are delighted to see the immediate benefits of our strategic roadmap initiated earlier this year, and to pave the way for future growth.*

*While the health crisis may lead to delays in certain programs by pharmaceutical companies, it has highlighted the importance of digital health solutions in optimizing healthcare systems and the patient experience. We remain confident in our ability to achieve our financial objectives."*

### **Implementation of the new strategic roadmap and major new partnership in oncology**

In the first half of 2020, Voluntis executed its new strategic roadmap. This prioritizes the oncology market, offering vast opportunities to create value through the digital therapeutics developed by Voluntis, and the conclusion of major partnerships with leading pharmaceutical companies. This business model allows the generation of upfront payments and milestone payments in the short term and, after commercial launch, annual payments (royalties) linked to the number of patients using the product.

It is in this context that Voluntis has entered into a collaboration with Bristol-Myers Squibb, announced in March 2020, to develop digital therapeutic solutions for the management of cancer patient symptoms and their remote monitoring by healthcare professionals.

This collaboration follows the one announced in December 2019 with Novartis for the evaluation of Voluntis' digital therapeutic platform for breast cancer. The goal of the collaboration is to provide patients with tools to effectively manage their symptoms and thus improve the patient experience and clinical outcomes.

These collaborations are based on Theraxium Oncology, Voluntis' platform for digital therapeutics in oncology.

### **Strong increase in commercial invoicing**

Thanks to these major partnerships, commercial invoicing increased sevenfold between the first half of 2019 and the first half of 2020 to reach €5.8 million, mainly in the field of oncology. This favorable trend confirms the successful execution of the strategy and the value of partnerships to optimize cash flow in the short and medium term.

At the same time, Voluntis has embarked on an ambitious program to adapt its organization to its new strategy, both in France and in the United States: the Group has thus evolved from 113 employees at the end of 2019, to 85 at the end of June 2020 and 75 to date, while maintaining innovation capabilities of the digital platforms that are at the heart of Voluntis' value proposition. These organizational adjustments will only produce their full economic impact from the second half of 2020.

### **Improved results despite the impact of IFRS 15**

This favorable evolution is only marginally reflected in the income statement due to the application of IFRS 15. This standard requires that the amount of invoices issued in the context of partnerships be deferred over time. As a result, a very limited portion of new collaborations has been recognized as revenue so far, with the balance being recorded in the balance sheet as prepaid income. Excluding the application of IFRS 15, adjusted EBITDA is up sharply to -€3.1 million compared to -€7.0 million in the first half of 2019.

After taking into account IFRS 15, half-year revenues amounted to €1.9 million compared to €2.0 million in the first half of 2019. EBITDA (EUR -5.9 million compared to EUR -7.0 million in H1 2019) and net income (EUR -8.1 million compared to EUR -8.4 million one year earlier) improved slightly.

### **Strengthening the financial structure**

The increase in cash flow from partnerships and the reduction in the cost structure made possible by the new roadmap have increased the company's financial visibility. Voluntis generated positive free cash flow of €0.9 million, including €3.1 million in research tax credits (CIR) compared to €1.7 million in the first half of 2019, compared to a cash outflow of €7.4 million over the same period in 2019.

As of June 30, 2020, Voluntis had available cash of €4.2 million, which was reinforced in September by a €2 million state-guaranteed loan (PGE).

The company estimates that it will be able to cover its 12-month financing needs thanks to this level of cash and the implementation of additional financing or the signature of new partnerships under discussion. Voluntis also has an OCEANE-BSA program that could be implemented in the future.

### **Growth in activity and invoicing expected between 2020 and 2024**

At the end of this encouraging first half year, Voluntis confirms its short- and medium-term financial objectives.

In this context, Voluntis confirms that it is targeting significant growth in its commercial invoicing in 2020. Year-to-date invoicing now stands at €8.4 million, three times the entire 2019 financial year (€2.7 million), thanks to partnership agreements. In particular, Voluntis announced in July 2020 a global licensing agreement with Biocon Biologics for Insulia®, the digital therapeutic developed by Voluntis, which is FDA-approved and CE-marked for patients with type 2 diabetes treated with insulin.

As announced, subject to the fulfillment of certain contractual conditions, the agreements signed since December 2019 could generate up to €25 million in cumulative commercial invoicing between 2020 and 2024 (including a significant part of the €8.4 million billed to date in 2020), mainly consisting of upfront and milestone payments. The commercial launch of co-developed solutions would make Voluntis eligible to

receive additional payments for the license of its Theraxium platform and proprietary digital therapeutics. These payments may cumulatively amount to tens of millions of euros per year, based on negotiated per-patient fees and projected number of end-users.

This significant acceleration of Voluntis' commercial bookings is an illustration of the positive momentum of the digital health sector, which is particularly notable during the Covid-19 crisis. Pharmaceutical companies are increasingly turning to digital therapeutics to support and enhance their product portfolio to deliver optimal treatment experiences to patients worldwide. These new solutions also enable remote patient monitoring and the expansion of at-home treatments.

This revenue growth should enable Voluntis to achieve its break-even target of a positive adjusted EBITDA in the course of 2021.

### **Availability of the half-year financial report**

The Half-Year Financial Report 2020 is available to the public today and has been filed with the Autorité des marchés financiers (AMF). It can be consulted on the company's website.

### **About Voluntis**

Voluntis creates digital therapeutics that empower people with chronic conditions to self-manage their treatment every day, thus improving real-world outcomes. Voluntis' solutions, combining mobile and web apps, use clinical algorithms to deliver personalized recommendations to patients and their care teams. For example, these recommendations are used to adjust treatment dosage, manage side effects or monitor symptoms. Leveraging its Theraxium technology platform, Voluntis has designed and operates multiple digital therapeutics, especially in oncology and diabetes. Voluntis has long-standing partnerships with leading life science companies. Based in Cambridge, MA, and Paris, France, Voluntis is a founding member of the Digital Therapeutics Alliance. For more information, please visit: [www.voluntis.com](http://www.voluntis.com)

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### **Disclaimer**

This press release contains certain forward-looking statements concerning Voluntis group and its business, including its prospects and product candidate development. Such forward-looking statements are based on assumptions that Voluntis considers to be reasonable. However, there can be no assurance that the estimates contained in such forward-looking statements will be verified, which estimates are subject to numerous risks including the risks set forth in the 2019 annual financial report and the 2020 half-year financial report published by Voluntis respectively on April 30, 2020 and September 29, 2020 (a copy of which is available on [www.voluntis.com](http://www.voluntis.com)) and to the development of economic conditions, financial markets and the markets in which Voluntis operates. The forward-looking statements contained in this press release are also subject to risks not yet known to Voluntis or not currently considered material by Voluntis. The occurrence of all or part of such risks could cause actual results, financial conditions, performance or achievements of Voluntis to be materially different from such forward-looking statements. Voluntis expressly declines any obligation to update such forward-looking statements.

## Alternative Performance Indicators:

**Commercial invoicing:** reflects commercial activity and the achievement of technical or regulatory milestones during the period, which are often deferred or spread out in accordance with IFRS 15.

**EBITDA:** recurring operating income before depreciation, amortization and provisions.

**Adjusted EBITDA:** corresponds to the EBITDA amended with the variation in prepaid income and deferred charges pursuant to the application of IFRS 15 (income invoiced for items over which control has not been transferred, expenses for the execution of items produced under customer contracts and not yet transferred).

Consolidated Income Statement	Actuals as of June 30	
	2020	2019
€m		
<b>Revenue</b>	<b>1,9</b>	<b>2,0</b>
Other operating revenue	0,3	0,5
<b>Total operating revenue</b>	<b>2,2</b>	<b>2,5</b>
Personnel expenses	(5,8)	(6,5)
Other operating costs	(2,6)	(2,7)
Depreciation, amortisation & operating provisions	(1,5)	(1,3)
<b>Operating income</b>	<b>(7,7)</b>	<b>(8,0)</b>
Financial income	(0,4)	(0,5)
Income tax	(0,0)	(0,0)
<b>Net income</b>	<b>(8,1)</b>	<b>(8,4)</b>
<b>EBITDA</b>	<b>(6,1)</b>	<b>(6,6)</b>
<b>Adjusted EBITDA</b>	<b>(3,1)</b>	<b>(7,0)</b>

Consolidated Balance sheet	Actuals as of	
	30/06/2020	31/12/2019
€m		
<b>Assets</b>		
Intangible assets	2,5	2,7
Tangible assets	3,0	3,3
Other non-current assets	0,3	0,3
Other fixed assets	0,3	0,4
<i>Non current assets</i>	<b>6,1</b>	<b>6,6</b>
Receivables	0,5	0,5
Other current financial assets	-	-
Other current assets	2,2	5,0
Cash on hand	4,2	5,1
<i>Current assets</i>	<b>6,9</b>	<b>10,6</b>
<b>Total</b>	<b>13,0</b>	<b>17,3</b>

€m	30/06/2020	31/12/2019
<b>Liabilities</b>		
<i>Shareholder equity</i>	(6,3)	1,7
Financial debt (non current)	3,1	4,5
LT provisions and other non current liabilities	5,5	0,9
<i>Non current liabilities</i>	8,6	5,3
Financial debt (current)	3,0	3,2
Payables and other current liabilities	7,6	7,0
<i>Current liabilities</i>	10,7	10,2
<b>Total</b>	<b>13,0</b>	<b>17,3</b>

<b>Simplified cash flow statement (€m)</b>	Actuals as of	
	30/06/2020	30/06/2019
Net cash flows from/(used in) operating activities	1,4	(6,9)
Net cash flows from/(used in) investing activities	(0,5)	(0,5)
Net cash flows from/(used in) financing activities	(1,8)	1,9
<b>CASH FLOW VARIANCE</b>	<b>(0,9)</b>	<b>(5,6)</b>
Net foreign exchange difference	0,0	0,0
<b>OPENING CASH BALANCE</b>	<b>5,1</b>	<b>19,8</b>
<b>CLOSING CASH BALANCE</b>	<b>4,2</b>	<b>14,2</b>