

Oncodesign announces its results for the first half of 2022: 28% growth in Service turnover



- Group turnover of €16.8M, mainly driven by strong organic growth in the Service business unit with external turnover of €16.2M (+28%) and an order book of €17.8M (+14%)
- Stable revenues and operating income at €19.3M (+5%)
- Operating profit down to €1.8M due to the general increase in consumables linked to the global economic context, passed on by our subcontractors and suppliers (+€2M in costs, i.e. +23% of purchases consumed)
- Inventory to be produced in Service of more than €21M and a cash position of €23M at 30 June 2022
- Separation of the Service and Biotech/IA business lines and entry into exclusive negotiations with Elyan Partners for a majority stake in Oncodesign's capital (Service) followed by a simplified tender offer
- Net income is strongly impacted by provisions for exceptional expenses associated with the current transaction
- Advancing our LRRK2 and RIPK2 programmes as planned for clinical entry of the inhibitors in 2022

Dijon, France, September 15, 2022, at 6:30pm - ONCODESIGN (ALONC - FR0011766229), a biopharmaceutical group specialising in precision medicine, announces its results for the first half of 2022.

Philippe GENNE, Chairman and CEO of Oncodesign, said: "Building on the momentum of previous years, Oncodesign is continuing to develop and is poised to reach a new growth milestone despite a very difficult international environment and the significant involvement of management teams in the challenging process of selling the service business and creating a new Biotech/IA entity. In the first half of 2022, we achieve revenues of nearly €20m with stable operating income. These revenues are essentially based on the organic growth of the Service, which increased by 28% to more than €16.2 million, with an EBITDA of €2.4 million, up by 36%. However, Oncodesign Group has not escaped the global economic context and has been affected by the increase in raw material and energy costs, which has had a negative impact on our operating result. In addition, in the specific context of the transaction, we have recorded provisions of €4.7M for exceptional expenses related to the current transaction, which have a direct impact on the company's net income of €6M. Given the scale and unpredictable consequences of this international crisis in economic terms, the relevance of our strategy aimed at reorganising our strategic activities by strengthening them solidly from a capital point of view will ultimately be successful."

Arnaud LAFFORGUE, CFO of Oncodesign, added: "The order book signed in the first half of the year means that we now have more than €20 million of stock to produce, and can therefore be confident about the growth of our turnover for 2022 and the coming years."

Oncodesign Group - Income Statement

In €M Consolidated data	First half - '22	First half - '21	Evolution	
			In %	In value
<i>Turnover Service BU</i>	16.2	12.6	+ 28%	+ 3.6
<i>Turnover Biotech BU</i>	0.4	3.2	- 87%	- 2.8
<i>Turnover Biotech IA</i>	0.1	-	na	+ 0.1
Turnover	16.8	15.9	+ 6%	+ 0.9
Other operating income and revenue	2.5	2.5	+ 1%	+ 0.0
Total operating income and revenue	19.3	18.4	+ 5%	+ 0.9
Goods and raw materials purchased	(10.3)	(8.4)	+ 23%	- 1.9
Personnel expenses	(9.3)	(9.1)	+ 2%	- 0.1
Other operating expenses	(0.3)	(0.2)	+ 29%	- 0.1
Taxes and duties	(0.4)	(0.5)	- 9%	+ 0.0
Net changes in amortization and depreciation	(0.8)	(0.8)	- 3%	+ 0.0
Total operating expenses	(21.1)	(19.0)	+ 11%	- 2.1
Operating profit/loss	(1.8)	(0.6)	+ 177%	- 1.1
Financial income and expenses	(0.0)	(0.0)	- 71%	+ 0.0
Extraordinary income and expenses	(4.7)	(0.0)	na	- 4.7
Taxes on profits	0.0	0.1	- 44%	- 0.0
Reversal of amortization	0.5	0.5	+ 0%	-
Consolidated net profit/loss	(6.0)	(0.1)	+ 4170%	- 5.8
Non-controlling interests	-	-	-	-
Net profit/loss (Group share)	(6.0)	(0.1)	na	- 5.8

Financial results for the first half of 2022

The Service business unit recorded a 28% increase in external sales to €16.2M compared to €12.6M at the same time last year. This amount represents a new historical high. In the Biotech BU, the LRRK2 and RIPK2 internal programmes are now at a stage close to clinical entry. Finally, the Artificial Intelligence BU recorded its first revenue in the first half of 2022 for €0.1 M with an offer to identify biomarkers associated with targets.

Other revenues are stable at €2.5M, mainly driven by the Research Tax Credit of €2M for the first half of 2022 alone.

Operating expenses increased by 11% to €21.1M. While payroll remained under control with an increase of +2% (€9.3M) for a slightly higher headcount (+7 people in average headcount over the 1st half of 2022 compared to the same period last year), it is mainly purchases that increased by +23% to €10.3 M (€1.9M). This increase can be explained by two distinct factors: the increase in the use of subcontractors for our new Drive-MRT offers on the one hand, and the impact of the global economic context with increases in raw materials (particularly energy and consumables).

In the end, Oncodesign's net result was a loss of €6M due to an exceptional charge of €4.7M related to the costs of the current transaction, corresponding to consulting, banking and legal fees traditionally used for these operations.

Compared to the first half of 2021, the increase in energy and consumables alone weighs nearly €0.5M in our total operating expenses.

Oncodesign: R&D expenditure

In €M Consolidated data	First half - '22	First half - '21	Evolution	
			In %	In value
Total R&D expenditure	3.8	5.0	- 24%	- 1.2

The Biotech BU is continuing to make progress on the company's flagship programmes, ODS-101 and the LRRK2 inhibitor in collaboration with Servier, whose entry into phase I clinical trials with healthy volunteers is still planned for the end of the year. This is the priority of the Biotech BU, and this focus means a temporary slowdown in other R&D programmes.

Service BU: External turnover up sharply by 28% and EBITDA at €2,4M

Service BU - Income Statement

In €M Analytical data	First half - '22	First half - '21	Evolution	
			In %	In value
External turnover	16.2	12.6	+ 28%	+ 3.6
Internal turnover	1.0	2.4	- 60%	- 1.4
Turnover	17.2	15.0	+ 14%	+ 2.2
Direct costs	(4.5)	(3.2)	+ 43%	- 1.4
Gross margin	12.6	11.7	+ 8%	+ 0.9
Internal costs	(9.2)	(9.1)	+ 2%	- 0.2
Net margin	3.4	2.6	+ 29%	+ 0.8
Other costs and income	(1.0)	(0.9)	+ 14%	- 0.1
EBITDA	2.4	1.8	+ 36%	+ 0.6

The Service BU's turnover increased by 14% to €17.2M (€16.2M turnover from external customers and €1M from the Biotech BU).

The Service BU has seen its direct costs increase, notably due to the greater use of subcontracting and the increase in purchases (energy, consumables, etc.) for an amount of almost €0.5M. This is reflected in the increase in Group costs. Internal costs remained stable, and the EBITDA margin was 14% (€2.4M).

Biotech BU: advancing our programmes for clinical entry of LRRK2 and ODS 101 before the end of 2022

Biotech BU - Income Statement

In €M Analytical data	First half - '22	First half - '21	Evolution	
			In %	In value
Turnover	0.4	3.2	- 87%	- 2.8
Direct costs	(2.2)	(3.7)	- 42%	+ 1.5
Gross margin	(1.8)	(0.5)	+ 265%	- 1.3
Internal costs	(0.5)	(0.4)	+ 20%	- 0.1
Net margin	(2.3)	(0.9)	+ 148%	- 1.4

In late 2021 and early 2022, the Biotech BU signed two early partnerships with the South Korean company TiumBio for an R&D collaboration on drug discovery in the treatment of pulmonary fibrosis and with the American company SEngine for the discovery of a new personalized treatment targeting metastatic tumors without therapeutic solutions. The Biotech BU's turnover of €0.4M came from these two partnerships. These early collaborations may lead to larger programmes with these two partners.

In addition, the Biotech BU is continuing to advance the company's flagship programmes, ODS-101 and the LRRK2 inhibitor, which are still scheduled to enter phase I clinical trials in healthy volunteers at the end of the year.

Artificial Intelligence BU : first turnover recorded on its biomarker identification offer

AI BU - Income Statement

In €M Analytical data	First half - '22	First half - '21	Evolution	
			In %	In value
Turnover	0.1	-	-	+ 0.1
Direct costs	(0.1)	(0.1)	+ 15%	- 0.0
Gross margin	0.0	(0.1)	- 176%	+ 0.1
Internal costs	(0.4)	(0.3)	+ 23%	- 0.1
Net margin	(0.4)	(0.4)	- 6%	+ 0.0

The Artificial Intelligence BU, with its target-associated biomarker identification offer, recorded its first revenue for the first half of 2022 of €0.1M.

In addition, it is spending money on the construction of its OncoSNIPER therapeutic target selection platform.

The Half Year Financial Report 2022

The Half Year Financial Report 2022 will be available on the company's website www.oncodesign-services.com on Friday 30 September 2022. The limited review procedures on the consolidated financial statements have been performed and the auditors' report is being issued.

Next financial publication: Ordinary General Meeting on 30 September at 10am in Dijon

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. 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 and part of the Paris-Saclay complex, ONCODESIGN has 230 employees across three Business Units (BU): Service, Biotech, Artificial Intelligence, and has subsidiaries in Canada and in the United States.



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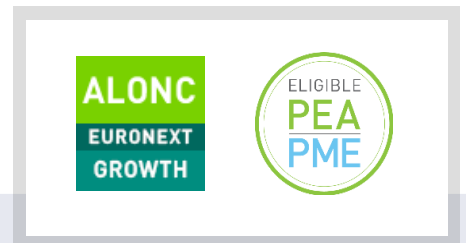
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