



GENOMICS | GENETICS | R&D | DIAGNOSTIC TESTS

2018 ANNUAL RESULTS

- Approval by the EGM on March 4, 2019, of the €5m refinancing operation with Winance via one or more capital increases through the issuance of ordinary shares with share subscription warrants attached
 - Total revenue from sales down 48% to €1,113 thousand in 2018
 - Total revenue from activity of €2.4 million in 2018
- 26% reduction in current operating expenses enabling the net loss to be reduced to €6.9 million in 2018 from €9.1 million in 2017

Bagneux (France) - Genomic Vision (FR0011799907 – GV), a company specialized in the development of *in-vitro* diagnostic (IVD) tests for the early detection of cancers and genetic diseases and applications for life sciences research (LSR), today announced its 2018 annual results¹.

Aaron Bensimon, co-founder and CEO of Genomic Vision, commented: “2018 was a complex year for Genomic Vision, with no molecular combing platform sales but the initiation of a large number of new industrial and commercial partnerships, illustrating the appeal of our technology for players on both the IVD and LSR markets. I would also like to thank the shareholders of Genomic Vision for having participated in our recent Extraordinary General Meeting that approved the implementation of our refinancing project. Its upcoming launch would enable us to extend our financial visibility through to mid-2020 and to confidently address our 2019 developments in accordance with a refocused strategy. We hope that 2019 will be a year that sees the fulfillment of the progress initiated in 2018 in three major strategic areas: *in-vitro* diagnostics with, in particular, the HPV test; quality control use in biomanufacturing and gene editing activities; and cancer product screening tools, with the DNA replication test. 2019 will also be a year of change, with an organization that will embrace the value chain and be structured into two divisions: product development and service activity on one hand, medical, marketing and development of partnerships on the other.”

¹ Audited financial statements reviewed by the Supervisory Board on March 5, 2019.

2018 annual results

<i>(in € thousands – IFRS)</i>	2018	2017
Revenue from R&D collaboration with Quest Diagnostics	431	364
Sales of products and services	682	1,777
<i>of which: life sciences research (LSR)</i>	<i>492</i>	<i>1,148</i>
<i>of which: in-vitro diagnostics (IVD)</i>	<i>190</i>	<i>629</i>
Total revenue from sales	1,113	2,141
Other revenue	1,270	1,471
Total revenue from activity	2,384	3,612
Net current operating expenses (excluding share-based payments)	-8,669	-11,652
Current operating income before share-based payments²	-6,285	-8,040
Expenses relating to share-based payments	-108	-419
Other operating income and expenses	-502	-616
Operating loss	-6,896	-9,075
Net loss	-6,898	-9,071

Sales of products and services were down 62% during the 2018 financial year, to €682 thousand. Restated for the sale of 5 platforms in 2017 and the negative impact of the cancellation of the APG sale, sales of products and services recorded growth of +14% in 2018, reflecting a solid demand from existing clients, the development of sales of instruments and consumables on the LSR market and the strong appeal of the services offer deployed among industrial and academic clients.

2018 sales of products and services included:

- €492 thousand generated on the LSR market. Restated for the negative effect of the cancellation of the APG sale and the sale of three platforms in 2017, sales of products and services on this segment recorded growth of +26%, reflecting the strong appeal of the services offer deployed among industrial clients, notably in the field of DNA replication and quality control for the gene editing industry.
- €190 thousand generated on the IVD market, exclusively from sales of the FSHD test in France and China by the partner of the Company, AmCare, and royalties paid by Quest Diagnostics, which markets this test in the United States. The 57% decrease was due to the absence of any FiberVision® platform sales during the year, whereas two platforms were sold in 2017.

Total revenue fell by 48% in 2018, to €1.1 million, and includes €431 thousand in revenue from the R&D collaboration with Quest Diagnostics corresponding to the distribution throughout the year of license payments and to the second payment on a collaborative project in SMA (Spinal Muscular Atrophy).

² Current operating income before share-based payments is defined and presented in Note 2.3.22, Segment Information, to the annual financial statements to December 31, 2018, which will be available online within the regulatory timeframe.

Total revenue from activity was €2,384 thousand (-34%), including other revenue of €1,270 thousand, corresponding to tax credits (research tax credit, innovation tax credit, competitiveness and employment tax credit) and R&D subsidies.

Net current operating expenses charges (excluding share-based payments) totaled €8.7 million in 2018 versus €11.7 million in 2017, a decrease of 26%, and included the following items in addition to the cost of sales:

- €3.6 million in R&D expenses, down 20% due to the refocus on higher added value projects and a good cost control policy. These expenses mainly correspond to clinical trials for the development of the HPV test and the targeted development of new services and tools for the LSR market.
- €2.5 million associated with sales & marketing expenses, a decrease of 26% following 2017 that was marked by the investment made in the sales teams of Genomic Vision initiated in 2016.
- €2.3 million in general expenses (-5%), in line with the cost-cutting plan undertaken by the Company.

The current operating loss before share-based payments was €6.3 million at December 31, 2018, compared with €8.0 million a year earlier.

Once we include €0.6 million in share-based payments and other operating expenses, mainly corresponding to non-recurring costs associated with a restructuring plan announced at the end of 2018 and due to be implemented during the first half of 2019, the **operating loss** was €6.9 million at December 31, 2018 vs. €9.1 million at the end of 2017. The **net loss** was €6.9 million at December 31, 2018, vs. €9.1 million in 2017, i.e. a €2.2 million reduction in the loss.

At December 31, 2018, Genomic Vision had 43 employees, compared with 49 at the end of 2017.

Financial structure at December 31, 2018

Genomic Vision had cash and cash equivalents of €3.2 million at December 31, 2018, versus €1.7 million at September 30, 2018. This figure includes €2.5 million from the drawdown of the last 3 tranches of the current OCABSA financing program during fourth quarter of 2018 and €0.3 million via an interest-free loan from Quest Diagnostics maturing on March 31, 2019, secured by a pledge of certain patents. This cash position shows net cash burn of €1.3 million over the period.

Given its business plan, which includes a restructuring and a strategic refocusing drive, the Company believes there are uncertainties regarding its financial visibility by the second quarter of 2019.

To enable the Company to continue developing its activity on the high-potential diagnostic and research markets, shareholders at the EGM on the second call held on March 4, 2019, approved, by over 99% with a quorum of 21.52%, the €5 million equity refinancing project put in place with Winance. Comprising 4 tranches of ABSAs (shares with equity warrants attached) of between €1 and 1.5 million

each (first tranche of €1.5 million, followed by two tranches of €1 million and a final tranche of €1.5 million), this additional financing would allow Genomic Vision to extend its financial visibility through to mid-2020 and to continue its development efforts through partnerships and high-value-added projects within the framework of a refocusing of its strategy combined with a restructuring project aimed at reducing operating costs by 20%.

2018 a pivotal year despite a disappointing sales performance

In 2018, Genomic Vision continued its targeted development, with applications on its versatile molecular combing platform that meet research requirements regarding the development of new cancer therapies, research and quality control for the Life Sciences Research industry (gene editing and biomanufacturing) and the early diagnosis of cancers and genetic diseases:

Life Sciences Research (LSR) market

- **LSR quality control market**

Gene editing quality control

Genomic Vision was invited to present its molecular combing technology as a control and safety tool for gene editing applications and the development of gene therapies at the Gene Editing Workshop in April 2018. The objective of this seminar, organized by the National Institute of Standards and Technology (NIST) and the Food and Drug Administration (FDA), was to explore and assess the requirements and standards to be established by these regulatory bodies for all stakeholders within the industry, academia, regulatory agencies and other players involved in using gene editing.

Quality control in biomanufacturing

In August 2018, Genomic Vision entered into a licensing agreement with European Equity Partners (EEP) for its molecular combing technology with the aim of building a services company that will develop and market molecular combing technology as a tool for verifying genetic constructions within the framework of the biomanufacturing of viral particles or recombinant proteins. This agreement foresees a first phase during which the proof-of-concept will be established in the field of biomanufacturing of monoclonal antibody.

- **DNA replication test market: Biopharmas and Academic Research Centers**

As molecular combing technology allows the characterization and dynamic monitoring of the DNA replication process, the Company has developed a test, the replication combing assay (RCA), used both by academic laboratories within the framework of fundamental research into replication mechanisms and by pharmaceutical research laboratories (Biopharmas) interested in the selection of drug candidates, notably in oncology, using cell cycle inhibition criteria. This Biopharma market is mainly addressed by the Company via a services offer, while academic research centers focus more on acquiring platforms.

In-vitro diagnostic (IVD) test market

Licensing agreement with Phyteneo for the HPV test in the Czech Republic

Based on the positive results of the EXPL-HPV-002 clinical study in cervical cancer screening, in November 2018 the Company signed a partnership agreement with Phyteneo, a specialty pharmaceutical laboratory and medical device company, for the deployment of the HPV test in the Czech Republic. Phyteneo will be in charge of CE mark registration and sales in that country. The defined timeframe foresees the granting of the CE mark during the fourth quarter of 2019 enabling pilot marketing to be initiated in the Czech Republic.

Initiation of collaboration to develop a telomere length assay

In May 2018, Genomic Vision signed a strategic collaboration with the Children Medical Research Institute (CMRI) in Australia to study the length of telomeres. The CMRI is using the FiberVision® platform to measure the length of telomeres with a view to developing a diagnostic test based on the measurement of this length. This test should allow, in the future and for a certain number of diseases, to assist the doctors in prescribing the most appropriate treatments for the patients.

Governance

During 2018, the following members of the Supervisory Board and Executive Board stood down from their duties and the Supervisory Board, on the recommendation of the Appointments and Compensation Committee, decided to not, for now, appoint new members to replace them in order to reduce operating costs. As of December 31, 2018, the Supervisory Board thus comprised 5 members and the Executive Board 2 members.

- Members of the Supervisory Board who stood down in 2018:

Mr. Neil Butler, effective January 4, 2018; Mr. Chalom Sayada, effective July 4, 2018, and Mr. Nicholas Conti, effective November 2, 2018

- Member of the Executive Board who stood down in 2018:

Mr. Frédéric Tarbouriech, effective November 23, 2018

Research & Development progress

- ***In-vitro diagnostic (IVD) test portfolio***

Human papilloma virus (HPV)

Genomic Vision presented the definitive results of the first phase of its clinical trial in cervical cancer screening (HPV test) in the Czech Republic in October 2018. Following the screening of 688 patients aged between 25 and 65, 410 of them carrying the HR-HPV (high risk HPV) virus were enrolled in the trial. The primary endpoint, targeting to establish the integration of the HPV virus in the genome as a potential diagnostic biomarker for severity of precancerous lesions, was met. Indeed, the final results show that the median value of HR-HPV virus integration in high grade patients is 3 times greater than in patients with no lesions. These definitive results were presented at Eurogin 2018 annual congress in December 2018, along with preliminary results on the monitoring of patients to position the HPV integration test as a potential biomarker for the prognosis of cervical cancer.

Ovarian and breast cancer (BRCA test)

The BRCA 1000 study, undertaken by Genomic Vision on the basis of DNA samples supplied by Quest Diagnostics, was not completed, Quest Diagnostics having suspended the supplying of samples, within a market context where the analysis of susceptibility to hereditary breast cancer is no longer based solely on the BRCA1 and BRCA2 genes, but on a panel of more than 30 genes. Following the amendment to the strategic partnership contract with Quest Diagnostics in early 2018, marketing

obligations for Quest Diagnostics regarding the SMA, BRCA and HNPCC (Hereditary NonPolyposis Colorectal Cancer) tests were defined. Within this framework, Quest Diagnostics should have indicated an expected launch date and implemented, within 60 days of that date, reasonable efforts to market these tests, failing which they could lose their exclusive marketing rights once notified by Genomic Vision. In the specific case of the BRCA and HNPCC tests, Quest Diagnostics did not indicate a launch date, which thus gave Genomic Vision an opportunity to offer the marketing of these tests to other medical biology players in North America.

Spinal muscular atrophy (SMA)

Quest Diagnostics and Genomic Vision extended their collaboration in early 2018 with a research program, jointly financed by Quest Diagnostics, that aims to develop a diagnostic test to identify healthy carriers of SMA. The amendment to the initial partnership contract has broadened the base of sales subject to the payment of royalties in order to incorporate all potential future sales of a test resulting from this collaboration. The research program's first two milestones were met in 2018, and this program will continue through end-2019 / mid-2020.

- **New prospects for using molecular combing in the genomic analysis of plants**

In August 2018, Genomic Vision signed a partnership with the National Center for Plant Genomic Resources (CNRGV), which belongs to the French National Institute for Agronomic Research (INRA), with the goal of developing a new technique for plant genome analysis that should lead the way for the analysis and selection of new plant varieties in accordance with certain sought-after characteristics.

ABOUT GENOMIC VISION

GENOMIC VISION is a company specialized in the development of diagnostic solutions for the early detection of cancers and serious genetic diseases and tools for life sciences research. Through the DNA Molecular Combing, a strong proprietary technology allowing to identify genetic abnormalities, GENOMIC VISION stimulates the R&D productivity of the pharmaceutical companies, the leaders of the diagnostic industry and the research labs. The Company develops a robust portfolio of diagnostic tests (breast, ovarian and colorectal cancers, myopathies) and analysis tools (DNA replication, biomarkers discovery, gene editing quality control). Based near Paris, in Bagneux, the Company has approximately 50 employees. GENOMIC VISION is a public listed company listed in compartment C of Euronext's regulated market in Paris (Euronext: GV - ISIN: FR0011799907). For further information, please visit www.genomicvision.com

CONTACTS**Genomic Vision**

Aaron Bensimon
Co-founder, Chairman & CEO
Tel.: +33 1 49 08 07 50
investisseurs@genomicvision.com

Ulysse Communication

Press Relations
Bruno Arabian
Tel.: +33 1 42 68 29 70
barabian@ulyse-communication.com

NewCap

**Investor Relations
& Strategic Communications**
Tel.: +33 1 44 71 94 94
gv@newcap.eu



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FORWARD LOOKING STATEMENT

This press release contains implicitly or explicitly certain forward-looking statements concerning Genomic Vision and its business. Such forward-looking statements are based on assumptions that Genomic Vision considers to be reasonable. However, there can be no assurance that such forward-looking statements will be verified, which statements are subject to numerous risks, including the risks set forth in the “Risk Factors” section of the reference document dated March 28, 2017, available on the web site of Genomic Vision (www.genomicvision.com) and to the development of economic conditions, financial markets and the markets in which Genomic Vision operates. The forward-looking statements contained in this press release are also subject to risks not yet known to Genomic Vision or not currently considered material by Genomic Vision. The occurrence of all or part of such risks could cause actual results, financial conditions, performance or achievements of Genomic Vision to be materially different from such forward-looking statements.

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