Theradiag reports its 2018 full-year results

- **Growth of 17% in sales of Tracker kits for routine use**
- **Net loss before non-recurring items of €0.4 million, close to breakeven**
- **Cash position: €3.4 million**

Croissy-Beaubourg, March 27, 2019 – 5:45pm CET – THERADIAG (ISIN: FR0004197747, Ticker: ALTER), a company specialized in *in vitro* diagnostics and theranostics, has today announced its consolidated full-year results for the financial year ended on December 31, 2018 approved by the Board of Directors on March 26, 2019.

"The healthy increase in Lisa Tracker® kit sales (up 17%) and the measures we took to reorganize the Company in late 2017 paid off in 2018, generating a major improvement in Theradiag's performance. Before non-recurring items, we nearly broke even in 2018, with a net loss of €0.4 million. The brisk expansion in the Tracker business augurs very well for the future, and so the outlook for 2019 is bright. Innovation remains a top priority to support our growth, and we continue to hold discussions with pharmaceutical companies concerning further deals, including in the United States", commented Bertrand de Castelnau, Theradiag's Chief Executive Officer.

Full-year 2018 results

In thousands of euros	FY 2018	FY 2017	% change
Revenue	**8,912**	**9,058**	**-2%**
of which in-house	*6,548*	*6,800*	
of which distribution	*2,362*	*2,258*	
Operating income/(loss)	**-563**	**-2,515**	**+78%**
Net financial income/(expense)	-64	-57	-12%
Income/(loss) before tax and non-recurring items	-627	-2,572	+76%
Non-recurring items	-415	-2,218	n.m.
Goodwill amortization		-1,504	n.m.
Net income	**-787**	**-5,959**	**+87%**
Net income/(loss) before non-recurring items	**-372**	**-2,236**	**+83%**

Consolidated financial statements including the financial statements of Prestizia, a wholly-owned subsidiary of Theradiag

- **2018 revenue**

Theradiag's consolidated revenue came to €8.9 million in FY 2018, down from €9.0 million in FY 2017 as a result of the contraction in theranostics revenue reflecting the fact that no non-recurring theranostics orders were logged in the first half of 2018. In contrast, a high level of activity was recorded in the same period of 2017 after Theradiag entered into several agreements with pharmaceutical companies.

Overall, 96% of theranostics revenue came from sales of kits for routine use. A steady increase over the past three quarters paved the way for an overall rise of 17% in FY 2018 sales compared to FY 2017.

IVD revenue remained stable, edging 1% higher.

Export sales of theranostics kits for routine use advanced by 19%.

- **Reduction in operating expenses, driving a 78% increase in operating income and almost eliminating the net loss before non-recurring items**

The restructuring decisions made in late 2017 (shutdown of Prestizia's operations and reorganization of the teams) and the favourable evolution of the product mix delivered benefits in FY 2018, including a 17% reduction in operating expenses.

As a result, the operating loss decreased by 78% from €2,515,000 in FY 2017 to €563,000 in FY 2018 and the net loss was cut from €5,959,000 to €787,000.

Before non-recurring items, Theradiag's bottom line came close to breakeven in FY 2018, with a net loss of €372,000.

The FY 2018 net loss was adversely affected by a €415,000 restructuring charge.

- **Healthy cash position**

At December 31, 2018, Theradiag's available net cash stood at €3.43 million, compared to €5.16 million at December 31, 2017. Tight cost management helped to reduce Theradiag's annual cash burn by one third.

"The company's recovery is underway and its profitability is on track, with a sufficient cash position, allowing the Company to invest in its development." added Pierre Morgon, Chairman of the Board of Directors of Theradiag.

Highlights of 2018

- **Termination of the commercial agreements with HOB Biotech**

As a result of HOB Biotech's failure to comply with the contractual terms of the 2015 agreements between the two companies, Theradiag was unable to distribute the agreed products in Europe or to market its reagents in China. Legal proceedings were launched against HOB Biotech to remedy the loss suffered by Theradiag.

- **Partnership established with Biogaran**

Theradiag entered into a partnership agreement with pharma group Biogaran to supply its Lisa Tracker® kits with Biogaran's biosimilar drugs. Theradiag's monitoring kits are thus listed in France by Biogaran to support the biosimilar drugs it supplies. Theradiag will take responsibility for providing training to laboratories in how to use kits and follow up on clinician requests concerning monitoring.

- **Keen interest from the scientific community in biotherapy monitoring evident at the ECCO Congress**

At the 13th edition of the ECCO Congress, over 90 publications presented biotherapy monitoring data. Of these, around 20 included results obtained using Lisa Tracker® kits, confirming the scientific community's keen interest in biotherapy monitoring. The increasing volume of publications also reflects the more widespread use of monitoring kits in what is also a growing number of centers.

- **Changes in Theradiag's governance**

Pierre Morgon succeeded Gérard Tobelem at Chairman of the Board of Directors.

Bertrand de Castelnau replaced Michel Finance as Chief Executive Officer and was also co-opted as a director replacing Dominique Costantini.

Bertrand de Castelnau, 58, has over 25 years' experience in diagnostics. He began his career as a commercial attaché in Islamabad, Pakistan. Subsequently, he joined Roche in Basle, Switzerland as a general auditor and was then offered a position in the Diagnostics division before being handed responsibility for Roche Diagnostics' Asia-Pacific region (based in Singapore). Next Bertrand took charge of Guerbet's operations for four years, then ran the Horiba ABX group and the Horiba Medical segment for ten years, before joining DiaSys as head of sales and marketing and Chief Financial Officer.

The Board of Directors now has the following members:

- Pierre Morgon, Chairman of the Board of Directors
- Sylvie Bratel, Independent director
- Bertrand de Castelnau, Director
- Vincent Fert, Director
- John Li, Director
- Dominique Takizawa, Independent director

Subsequent events

- **Award of the 12th CE mark to the Lisa Tracker® range**

Theradiag has been awarded a CE mark for the Cosentyx® (*secukinumab)* monitoring kit used in the treatment of psoriasis, psoriatic arthritis and ankylosing spondylitis, reaffirming its leadership position in biotherapy monitoring, with the most extensive line available in the market.

- **FDA inspection**

During February, Theradiag was inspected by the FDA. It was not informed of any non-compliance issues and did not receive any comments (no Form 483 observations).

Next financial press release

Interim 2019 revenue on Thursday, July 25, 2019, after market close

About Theradiag

Capitalizing on its expertise in the distribution, development and manufacturing of in vitro diagnostic tests, Theradiag innovates and develops theranostics tests (combining treatment and diagnosis) that measure the efficiency of biotherapies in the treatment of autoimmune diseases and cancer. Theradiag is thus participating in the development of customized treatment, which favors the individualization of treatments, the evaluation of their efficacy and the prevention of drug resistance. Theradiag notably markets the Lisa Tracker® range (CE marked), which is a comprehensive multiparameter theranostic solution for patients with autoimmune diseases treated with biotherapies. The Company is based in Marne-la-Vallée, near Paris, and has over 60 employees.

For more information about Theradiag, please visit our website: www.theradiag.com

Theradiag
Investor Relations
Fabienne François
CFO
Tel.: +33 (0)1 64 62 10 12
contact@theradiag.com

NewCap
Financial Communications
& Investor Relations
Valentine Brouchot
Tel.: +33 (0)1 44 71 94 94
theradiag@newcap.eu

Alize RP
Press Relations
Caroline Carmagnol
Tel.: +33 (0)1 44 54 36 64
theradiag@alizerp.com