

## 2018 interim results and business update

### Sharp improvement in operating results

#### Net result close to breakeven

**Croissy-Beaubourg, September 19, 2018 – 5:45pm CEST - Theradiag** (ISIN code: FR0004197747, Ticker: ALTER), a company specializing in *in vitro* diagnostics and theranostics, today released its consolidated interim results for the six months to June 30, 2018, as approved by the Board of Directors on September 18, 2018.

*“With the growth in sales of Tracker kits for routine use, the improvement in our gross margin and the benefits of the late 2017 restructuring program, we came close to break even in the first half of 2018, in line with our stated target for 2018 as a whole”,* commented Michel Finance, Theradiag’s Chief Executive Officer.

#### 2018 interim results

| <i>In thousands of euros</i>                     | First half<br>2018 | First half<br>2017 | % change    |
|--|--------------------|--------------------|-------------|
| <b>Revenue</b>                                   | <b>4,565</b>       | <b>5,042</b>       | <b>-9%</b>  |
| <i>of which in-house</i>                         | 3,279              | 3,805              |             |
| <i>of which distribution</i>                     | 1,286              | 1,237              |             |
| <b>Operating income/(loss)</b>                   | <b>-196</b>        | <b>-932</b>        | <b>+79%</b> |
| Net financial income/(expense)                   | -30                | -36                | +17%        |
| Income/(loss) before tax and non-recurring items | -225               | -968               | +77%        |
| Non-recurring items                              | 16                 | 32                 | -50%        |
| <b>Net income/(loss)</b>                         | <b>-89</b>         | <b>-743</b>        | <b>+88%</b> |

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

- **First-half 2018 revenue**

First-half 2018 revenue broke down as follows:

| <i>In thousands of euros</i>                   | First half<br>2018 | First half<br>2017 | Change      |
|--|--------------------|--------------------|-------------|
| <b>Revenue</b>                                 | <b>4,565</b>       | <b>5,042</b>       | <b>-9%</b>  |
| <i>o/w Theranostic revenue</i>                 | 1,845              | 2,392              | <b>-23%</b> |
| <i>o/w Lisa Tracker® kit sales for routine</i> | 1,845              | 1,662              | <b>+11%</b> |
| <i>o/w IVD revenues</i>                        | 2,720              | 2,650              | <b>+3%</b>  |

Theradiag’s total revenue declined 9% in the first half of 2018 as a result of the contraction in theranostics revenue reflecting the fact that no non-recurring theranostics revenue was recorded in the first half of 2018. In contrast, substantial revenue was booked in the same period of 2017 under agreements with pharmaceutical companies.

During the first half of 2018, theranostics sales consisted solely of sales of kits for routine use, which were 11% higher than in the first half of 2017.

Sales of Tracker kits for routine use were 15% higher in the second quarter of 2018 than they were in the second quarter of 2017. They had grown 8% in the first quarter of 2018.

IVD revenue rose 3% in the first half of 2018.

- **Lower operating costs**

Following the restructuring plan implemented in late 2017, Theradiag's operating costs declined 20%. Restructuring was fully completed in the first quarter of 2018.

- **79% improvement in operating performance and net result close to breakeven**

The improvement in the operating performance and the net result for the first half of 2018 reflected the anticipated impact of the shutdown of the Prestizia business and implementation of the restructuring plan introduced in late 2017.

Theradiag's 2018 interim net loss came to €89 K, down from €743 K in the first half of 2017.

- **Cash position**

At June 30, 2018, Theradiag held €3.7 million in cash and cash equivalents, compared with €5.7 million at June 30, 2017.

### **Significant events of the first half 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 has been unable to distribute the agreed products in Europe or to market its reagents in China. Legal proceedings have been launched against HOB Biotech to remedy the loss suffered by Theradiag.

- **Partnership with Biogaran**

Theradiag has entered into a partnership agreement with pharma group Biogaran to supply its Lisa Tracker® kits for monitoring Biogaran's biosimilar drugs.

Under this agreement, Biogaran is listing Lisa Tracker® monitoring kits in France to support the biosimilar drugs it supplies. Theradiag will handle implementation, provide training to laboratories in how to use kits and follow up on clinician requests concerning monitoring.

- **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 a growing number of centers.

The Lisa Tracker® range remains the most extensive available in the market and can be used to monitor all gastroenterology patients.

- **Changes to composition of the Board of Directors**

At the close of the Annual General Meeting on May 29, 2018, Theradiag's Board of Directors had seven members, including Sylvie Bratel, a new director who declared that she is independent.

The Board of Directors now has the following members:

- Gérard Tobelem, Chairman of the Board of Directors
- Sylvie Bratel, Independent director
- Dominique Costantini, Independent director
- Vincent Fert, Independent director
- John Li, Director
- Pierre Morgon, Independent director
- Dominique Takizawa, Independent director

#### **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 65 employees.

For more information about Theradiag, please visit our website: [www.theradiag.com](http://www.theradiag.com)

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#### **Theradiag**

Investor Relations

**Fabienne François**

**CFO**

Tel.: +33 (0)1 64 62 10 12

[contact@theradiag.com](mailto:contact@theradiag.com)

#### **NewCap**

Financial Communications  
& Investor Relations

**Valentine Brouchet**

Tel.: +33 (0)1 44 71 94 94

[theradiag@newcap.eu](mailto:theradiag@newcap.eu)

#### **Alize RP**

Press Relations

**Caroline Carmagnol**

Tel.: +33 (0)1 44 54 36 64

[theradiag@alizerp.com](mailto:theradiag@alizerp.com)