Theradiag reports significant improvement in 2019 full-year results

- **2019 revenue up 10.3% for theranostics and up 6.4% for IVD**
- **Continued improvement in operating income and net income before non-recurring items**
- **Positive net income partly driven by non-recurring instrumentation sales. Profits reinvested in development in strategic regions focusing on the United States**
- **Cash position: €2.9 million**
- **Exposure to Covid-19: business continuity plan defined and implemented**

Theradiag will hold a conference call (in French only) at 10am on Thursday, March 19, to present its full-year results

To take part, please dial +33 1 70 71 01 59 followed by participant PIN code 14 39 06 69 #

Croissy-Beaubourg, March 18, 2020 – 5:45pm CET – THERADIAG (ISIN: FR0004197747, Ticker: ALTER), a company specialized in *in vitro* diagnostics and theranostics, today presents its full-year results for the financial year ended on December 31, 2019 approved by the Board of Directors on March 17, 2020.

Full-year 2019 results

€000	**2019 (Company statements)**	**2018 [1] (Company statements)**	**% change**	**2018 (Reported conso. statements)**
Revenue	**9,638[2]**	**8,912**	**+8.1%**	8,912
of which in-house	*6,843*	*6,548*	*+4.5%*	*6,548*
of which distribution	*2,795*	*2,362*	*+18.3%*	*2,362*
Operating income/(loss)	**(622)**	**(717)**	**+13.2%**	(563)
Net financial income/(expense)	14	(163)	n/a	(64)
Income/(loss) before tax and non-recurring items	(608)	(881)	+31.0%	(626)
Net income/(loss) before non-recurring items	**(326)**	**(603)**	**+45.9%**	**(372)**
Non-recurring items	675	(182)	n/a	(415)
Net income/(loss)	**349**	**(786)**	n/a	(787)

Notes: [1] Theradiag company financial statements for 2018 restated for changes in consolidation, as subsidiary Prestizia is no longer consolidated from 2019. [2] Following the final post-publication audit of revenue on Jan. 30, 2020, revenue was adjusted from €9,647K to €9,638K.

Theradiag CEO Bertrand de Castelnau said: *"Theradiag's full-year 2019 results are wholly in line with our expectations. Excluding extraordinary items, full-year earnings have taken a further step towards breakeven, a promising first milestone on the road towards profitability. Innovation remains key to Theradiag's growth and we are very satisfied with our continuous investment in R&D, particularly in theranostics with our new i-Track*$^{10®}$ *automated analyzer. We still have a number of development objectives to achieve in 2020, particularly overseas in the United States, where we plan to step up our operations. We are delighted to announce a marked improvement in our financial indicators today and we approach the years to come with ambition."*

Board chairman Pierre Morgon added: *"The priorities for 2019 were clear and the commitment shown by the team in order to achieve them proved productive. The year's result after extraordinary items will allow Theradiag to pursue its development strategy with confidence. The Company has real growth potential and in 2020 we expect to further consolidate our leadership in biotherapy monitoring, in France and in other priority markets."*

Revenue buoyed by strong growth driven primarily by theranostics

Theradiag posted consolidated revenue of €9.6 million for 2019, up 8.1% from €8.9 million in 2018.

Theranostics posted strong growth of 10.3%, buoyed by sales of LISA TRACKER® kits for routine use, which now account for the company's recurring business in this segment. Sales in France were particularly satisfying, up 19%, increasing the France share of revenue to 49% in 2019.

As announced earlier, in the United States, Theradiag ended a transitional year reflecting the end of the partnership with its former partner in the region. The transfer to the new partner, HalioDx, is currently nearing completion.

The firm kept up a robust level of export business, particularly in Spain and the UK, two other strategic countries.

Meanwhile, the *in vitro* diagnostics (IVD) business posted 6.4% growth including important non-recurring instrumentation sales in the first half.

Excluding this item, core business IVD sales were down slightly as expected. In the IVD sector, Theradiag is pursuing a strategy of niche specialties, such as genetics and male fertility, in addition to the core business in autoimmunity.

Operating expenses under control, improvement in operating income and net income before non-recurring items

The Company has been focusing hard on margins over the last two years. In 2019, Theradiag continued to implement tight control of operating expenditure. Further improvements were made in organizational efficiency and the Company succeeded in growing its business despite the large-scale investment program rolled out to drive development.

Investments were channeled into two major projects:

- R&D work on the new-generation i-Track$^{10®}$ automated analyzer and development work on the i-Tracker® test kits and TRACKER range,
- continued establishment of direct operations in the United States and the achievement of business development plans in this key region, for which the return on investment is expected during the second half of 2020.

Despite these continuing investments essential to Theradiag's development, the Company succeeded in reducing like-for-like operating loss by €95K, an improvement of 13.2%.

The loss before tax and non-recurring items amounted to €608K, a 31% improvement on the €881K loss recorded in 2018.

Net loss excluding non-recurring items came to €326K, virtually halving the loss generated in 2018.

Non-recurring income of €675K was impacted by non-recurring instrumentation sales and the balance of the settlement ending the dispute with former Chinese partner Hob Biotech.

Total net income including non-recurring items amounted to €348K compared to a like-for-like net loss of €786K in 2018 (company financial statements).

Cash position

At December 31, 2019, net cash stood at €2.9 million, compared to €3.4 million at December 31, 2018. The Company continues to pay close attention to cash flow and estimates that it has sufficient cash to cover the investments planned for the coming years.

2019 highlights

In 2019 Theradiag signed a number of partnership and distribution agreements that will play a key role in its future development.

Partnership agreements

- Agreement with UK-based Immunodiagnostic Systems (IDS) – April 2019

Theradiag signed an agreement with IDS, a specialist manufacturer of diagnostic test kits and instruments for the clinical market. The agreement allows IDS to market the TRACKER® test kit range in 33 countries and gives Theradiag access to the IDS-i10® latest-generation continuous loading automated analyzer.

In November 2019, the Company announced that it had CE marked this analyzer, renamed the i-Track$^{10®}$, and registered its market launch with the French National Drug and Health Product Safety Agency (ANSM).

- Agreement signed with HalioDx, USA – May 2019

Theradiag signed a contract with a new partner based in the USA, HalioDx, to boost sales of its biotherapy monitoring test range. The agreement enables Theradiag to directly approach a number of key stakeholders.

In order to meet the specific needs of this market and strengthen the Theradiag brand in the United States, the test range will be rebranded OptimAbs® by Theradiag.

Distribution agreements in Asia – December 2019

Theradiag continues to implement its globalization strategy in Asian regions offering real growth potential. At the end of 2019, the Company signed three new strategic distributors in China, Hong Kong, Macao and Taiwan. The agreements relate to distribution of the main TRACKER® range biotherapy monitoring tests since January 2020 in Greater China.

2019 post balance sheet events

The first four TRACKER® range i-Tracker® test kits CE marked – March 2020

Theradiag announced it had CE marked the first four i-Tracker® kits in the TRACKER® range. These kits represent the latest generation of Theradiag's bestselling test ranges on the biotherapy monitoring market. The infliximab and adalimumab test kits have been validated for both originator molecules and biosimilars and are standardized in accordance with the international norms issued by the World Health Organization (WHO).

Coronavirus – Covid-19

- Implications for Theradiag's business activity and employees:

The potential consequences of the current Covid-19 ("Coronavirus") epidemic on Theradiag's business have been identified, analyzed and qualified. In mid-March, the expected impact on supplies was limited and the Company still has several months' stock of traded goods and finished products. The impact on sales is directly related to the economic and health situation, particularly the degree of access to Theradiag's hospital customers in France and abroad.

Furthermore, in accordance with government recommendations, the Company has implemented all the required measures for its employees, including teleworking for those able to work from home.

A business continuity plan has been established and applied from March 17, 2020. Theradiag has organized its operations in order to guarantee a volume of production for key products, order processing, shipments and customer hotline service.

The Company continues to follow developments with the utmost attention and adapt its operations in line with government recommendations.

- Regarding diagnostic tests:

Theradiag develops, manufactures and markets diagnostic and biotherapy monitoring tests. Theradiag continues to drive its growth and development based on its core business, which is immunology rather than infectiology.

Nevertheless, Theradiag's portfolio of products distributed in France includes a respiratory pathogen detection kit in the form of a Luminex® RPP (Respiratory Pathogen Panel). This is a secondary business line limited to the French market. Theradiag does not develop tests for this panel, which is designed and manufactured by Luminex.

Early March 2020, Luminex announced its plans, progress to date and capacity to help laboratories detect and diagnose Covid-19 using its NxTAG® CoV Extended Panel kit. So far, the kit has been used only for research purposes and will have to obtain CE marking before being incorporated into laboratory routine. Luminex has not yet disclosed the date on which the CE-marked kit will be released. When this takes place, Theradiag plans to include the kit in its offering. At the present stage Theradiag does not foresee a material impact on 2020 revenue.

Financial calendar:

- **Annual General Meeting, May 14, 2020**
- **2020 First-Half Revenue**, Tuesday July 21, 2020

Upcoming events attended by Theradiag, subject to confirmation:

- 4 May 2-5, 2020: Digestive Disease Week forum (DDW), Chicago, USA
- May 20-24, 2020: 12th International Congress on Autoimmunity, Athens, Greece
- June 25-26, 2020: GEAI Colloquium, Paris
- June 25-26, 2020: JFHOD 2020 French Hepatogastroenterology and Digestive Oncology Congress, Paris

About Theradiag

Theradiag is the market leader in biotherapy monitoring. Capitalizing on its expertise in the diagnostics market, the Company has been developing, manufacturing and marketing innovative *in vitro* diagnostic (IVD) tests for over 30 years.

Theradiag pioneered "theranostics" testing (combining therapy with diagnosis), which measures the efficacy of biotherapy in the treatment of chronic inflammatory diseases. Going beyond mere diagnosis, theranostics aims to help clinicians set up "customized treatment" for each patient. This method favors the individualization of treatment, evaluation of its efficacy and the prevention of drug resistance. In response to this challenge, Theradiag develops and markets the CE-marked TRACKER® range, a comprehensive solution of inestimable medical value.

The Company is based in Marne-la-Vallée, near Paris, has operations in over 70 countries and employs over 60 people. In 2019, the Company posted revenue of €9.6 million. The Theradiag share is listed on Euronext Growth Paris (ISIN: FR0004197747) and is eligible for the French PEA-PME personal equity plan.

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

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