

PRESS RELEASE – FOR IMMEDIATE DISTRIBUTION

IntegraGen reports 2018 annual results: 11% revenue growth and 39% net improvement in operating income

- Significant increase in genomics services, particularly in the R&D segment
- Reduced operating loss by 39% compared to 2017: -1.2 M € compared to -1.9 M € in 2017
- Major operational advances:
 - Initiation of GCS¹ SeqOIA sequencing platform operational activities in 2019.
 - Launch of SIRIUS™ and MERCURY™ genomic data interpretation software

Evry, France (April 18, 2019) - **IntegraGen**, a company specializing in the transformation of data from biological samples into genomic information and diagnostic tools for oncology, today announced the company's financial results for the year ending December 31, 2018. The annual accounts were approved by the Board of Directors held on April 17, 2019.

Bernard Courtieu, President and CEO of IntegraGen said: "2018 marked a sharp acceleration in our performance, both in terms of revenue growth (+ 11%) and in improved profitability with a reduced operating loss of nearly 40%. These advances were associated with the industrialization of our processes and the quality of our services. The organic growth will continue in 2019 with the start of IntegraGen's sequencing platform activities for GCS SeqOIA, which will bring an additional revenue of a minimum of 16.4 M€ over the next five years. Beyond the consolidation of leadership in our core market, IntegraGen continues to develop new offerings including software for genomic data interpretation as well as leveraging new sequencing platforms for research and diagnostic projects."

SUSTAINED ACTIVITY IN 2018

Genomic services activities up sharply

2018 annual revenue increased by 11% compared to 2017 being mainly driven by the growth of sequencing activities for R&D, a segment in which revenue grew by 29%. The operations of external platforms (Villejuif and Institut Pasteur) fell by 17%, primarily due to the end of several clinical studies and, for some projects, the wait for the establishment of the SeqOIA platform.

In total, the genomics team completed more than 440 projects for 130 academic and private entities were while the Villejuif platform sequenced more than 900 samples from more than 300 patients included in prospective clinical trials. Finally, more than 20,000 microbial samples were sequenced by the platform IntegraGen operates for the Institut Pasteur.

Installation and implementation of the new sequencing platform for GCS SeqOIA

On July 27, 2018, GCS SeqOIA, composed of the Assistance Publique-Hôpitaux de Paris (AP-HP), the Institut Curie and Gustave Roussy, a leading center in the fight against cancer, announced that it had

¹ GCS: Groupement Coopératif de Santé

accepted IntegraGen's offer as part of the call for tenders, launched last April, to provide a service provision for a high-throughput sequencing data production platform.

The service contract, which covers the period from January 1, 2019 to December 31, 2023, represents a minimum commitment of € 16.4 million and a maximum commitment of € 25.6 million over the term of the contract.

In relation to the above, IntegraGen received an advance of € 1,109 M€ repayable over the five years of the contract, as well as a 300 K€ bank loan from Société Générale. Part of the investments made will be financed under a leasing contract. As a result, this transaction is not only profitable as of its operational implementation on January 1, 2019, but also had a positive case impact on 2018.

Commercial launch of interpretation software

The introduction of genomic data interpretation software in 2018 generated revenue of 239 K€.

In March 2018, the company entered into a distribution partnership with U.S. based Twist Bioscience covering the distribution rights of SIRIUS™ and MERCURY™, support tools for biologists and pathologists for interpreting oncology exome data and the rapid delivery of biological report which can be used for clinical and translational research.

2018 FINANCIALS INDICATORS: NET IMPROVEMENT IN PROFITABILITY

KEY INDICATORS <i>in thousand EUROS</i>	2018	2017	Var. %
Total operating revenues	7 069	6 593	+7%
<i>Sales revenue</i>	6 922	6 247	+11
<i>Operating subsidies and other revenue</i>	147	346	ns
Total operating cost	8 248	8 523	(3%)
EBIT	(1 179)	(1 930)	+39%
Current Result	(1 193)	(1 450)	+18%
Net Result	(1 140)	(863)	(32%)

Strong improvement in operating income

Operating income rose by 7% compared to 2017, while operating expenses decreased by 3%. The purchase of consumables amounted to € 2,753 K€, a decrease of 5% compared with the previous year. This decrease in costs resulted in a marked improvement in the profitability of the sequencing activities. Our rationalization efforts carried out during the year the made possible an increase in the cost of consumables/ turnover ratio from 46% in 2017 to 40% in 2018.

In addition, other operating expenses amounted to 2,184 K€ reflecting a 13% decrease compared to 2017. This was primarily attributable to investments made for the manufacturing and the launch of the miRpredX™ kit in 2017, which is now fully completed.

As a result, the operating loss was significantly lower during 2018 than in 2017, equaling 1,179 K€ compared to € 1,930 K€ in 2017. This represents an improvement of 39%.

The financial results represent a loss of 14 K€ against a gain of 480 K€ the previous year. The 2017 result included non-recurring items, including foreign exchange gains recorded on the current account advance granted to IntegraGen Inc. prior to 2010 which had been incorporated into the subsidiary's capital at the end of 2017.

The extraordinary result represents a net loss of 139 K€ against a gain of 254 K€ in 2017, the company having benefited from a debt waiver of 600 K€ from BPI.

The research and development efforts resulted in a research tax credit of 193 K€. The research tax credit was down 42% compared to the previous year, partly because of the reduction of research efforts in the diagnostic activity, and also due to repayments of repayable advances to BPI which were lower in 2018.

The net result for 2018 was a loss of € 1,140 K€ against a loss of 843 K€ in 2017.

Solid Cash Position

ASSETS			LIABILITIES		
<i>In K€</i>	Dec 31, 2018	Dec 31, 2017	<i>In K€</i>	Dec 31, 2018	Dec 31, 2017
Long-Term Assets	1 251	738	Shareholders' Equity	2 794	3 930
<i>inc Fixed assets</i>	<i>1 034</i>	<i>436</i>	Other Equity	277	540
Stocks	389	360	Contingency	76	12
Accounts Receivable	2 324	2 414			
Other Receivable	612	1 005	Notes payable to banks	300	0
Cash	4 006	4 132	Accounts Payable	3 988	2 442
Current Assets	7 331	7 911	Other short term debts	1 143	1 720
Translation difference	0	0	Translation difference	5	5
TOTAL ASSETS	8 583	8 649	TOTAL LIABILITIES	8 583	8 649

Property, plant and equipment amounted to € 1,034 K€, up 37% compared to the end of 2017, mainly due to set up costs for the new SeqOIA laboratory which IntegraGen has invested 679 K€ in as of December 31, 2018 (see note above on the specific financing of this activity).

Net cash at the end of 2018 amounted to 3.9 M€ compared with 4.1 M€ at the end of 2017. Net cash includes:

- 4,006 K€ in cash and marketable securities
- 58 K€ in financial debt of less than 1 year, linked to the loan subscribed in 2018 for an amount of 300 K€ from Société Générale, repayable over 5 years.

For the year 2018, the operating cash consumption amounted to € 1.4 M€ compared to € 2.1 million in 2017. This data was calculated on the basis of the cash flow variation during the period, excluding the capital increase and external financing.

OUTLOOK 2019: STRONG GROWTH EXPECTED

The SeqOIA project, whose services will begin to be invoiced as of January 2019, will generate a minimum revenue of € 2,013 K€ in 2019 and we anticipate strong growth in sales for the year.

The services performed on behalf of our laboratories will continue to grow, driven in part by new sequencing offers. This includes the January 2019 acquisition of a "NovaSeq" System which represents the latest generation in sequencers. This technology will enable the company to have more competitive offers to its customers.

The company also expects increased sales of its sequencing data interpretation software (SIRIUS™ and MERCURY™) available via a software-as-a-service (SaaS) model. These software tools were initially commercialized in 2018.

About IntegraGen

IntegraGen is a company specializing in deciphering the human genome and producing relevant and easily interpretable data for academic and private laboratories. IntegraGen's oncology efforts provide researchers and clinicians with sophisticated tools for analysis and therapeutic individualization of treatment approaches allowing them to tailor therapy to the genetic profiles of patients. As of December 31, 2018, IntegraGen had 44 employees and generated revenue of 6.9 M€ in 2018. Based in Evry Genopole, IntegraGen also has an U.S. office in Cambridge, Massachusetts. IntegraGen is listed on Euronext Growth (ISIN: FR0010908723 - Ticker: ALINT - PEA-SME).

For more information, visit www.integragen.com



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