



GENOMICS | DIAGNOSTIC TESTS | GENETICS | R&D

## 2015 ANNUAL RESULTS

- All planned 2015 development milestones achieved
  - Good management of operating costs
  - Solid cash position of €15.6 million

**Bagneux (France) - Genomic Vision (FR0011799907 – GV)**, a molecular diagnostics company specializing in the development of diagnostic tests for genetic diseases and cancers based on molecular combing technology, today announces its full-year results<sup>1</sup> to December 31, 2015 according to IFRS, as approved by the Management Board and examined by the Supervisory Board on March 21, 2016.

### 2015 annual results

<i>In thousands of euros - IFRS</i>	<b>2015</b>	<b>2014</b>
Revenue from R&D Quest Diagnostics	2,069	3,218
Product sales	291	237
<b>Total revenue from sales</b>	<b>2,360</b>	<b>3,455</b>
Other revenue	1,957	1,438
<b>Total revenue from activity</b>	<b>4,317</b>	<b>4,893</b>
Net operating expenses	-8,708	-7,107
Operating profit / loss	-4,391	-2,214
<b>Net profit / loss</b>	<b>-4,338</b>	<b>-2,156</b>

<sup>1</sup> Audit procedures relative to these accounts have been carried out. The auditor's report will be issued after completion of the procedures required for the purpose of filing the "document de reference" (reference document).

In 2015, Genomic Vision recorded revenue from sales of €2,360 thousand. With €2,069 thousand of this figure consisting of revenue from its R&D collaboration with Quest Diagnostics, it recorded an expected decrease associated with the gradual end of the milestone payment planned in the initial agreement with Quest Diagnostics. These payments totaled €3,218 thousand in 2014.

Revenue from product sales increased by +22.8% to €291 thousand, and reflect a positive momentum for Genomic Vision's three sources of sales revenue:

- direct sales of the CombHelix FSHD test at the Timone hospital in Marseille,
- royalties paid by Quest Diagnostics, which distributes this test in the United States, and
- direct sales of consumables and instruments to laboratories that use molecular combing technology for research purposes (Life Sciences Research Tools).

Revenue from activity totaled €4,317 thousand in 2015, versus €4,893 thousand in 2014 after other revenue of €1,957 thousand corresponding to tax credits (research tax credit and innovation tax credit totaling €1,303 thousand) and R&D subsidies (€654 thousand) are taken into account. The latter notably includes repayable advances from Bpifrance (ex-OSEO) related to two R&D projects accounted as revenue in the P&L statement following the end of the programs.

Operating expenses totaled €8,708 thousand over the year to December 31, 2015, up 22.5% compared with the figure at end-2014, reflecting good control of the Company's spending over the period:

- R&D costs, the largest category of expenditure, remained stable compared with the previous year,
- General costs increased by +36.4%, due to non-recurring expenses associated with strategic consulting services and the extension of the head-office premises,
- Sales & Marketing costs almost tripled to €1,222 thousand. This increase was due to the setting up of a technical sales team whose workforce doubled in 2015, in accordance with Genomic Vision's intention of developing its own sales and marketing capacities.

At December 31, 2015, Genomic Vision had 54 staff, compared with 46 at December 31, 2014.

Over the year to December 31, 2015, the Company recorded an operating loss of -€4,391 thousand, compared with -€2,214 thousand at December 31, 2014.

Taking into account a financial profit (+€54 thousand), the 2015 net loss was thus -€4,338 thousand, compared with -€2,156 thousand at December 31, 2014.

### **Solid cash position**

As indicated when annual revenue was published in January, cash and cash equivalents totaled €15.6 million at December 31, 2015, versus €22.8 million at December 31, 2014, illustrating the Company's effective management of its spending within a context of high investments with the acquisition of high-throughput scanners to be installed among the Company's clients and partners.

At December 31, 2015, the Company's financial structure remained solid, with shareholders' equity of €18.4 million and almost no remaining financial debt (€22 thousand of leasing), since repayable advances from Bpifrance have been accounted as revenue in the P&L statement.

### **2015 highlights: all planned objectives successfully met**

#### **Favorable renewal of the strategic partnership with Quest Diagnostics**

Genomic Vision renewed its strategic partnership with Quest Diagnostics, the American group that is the global leader in laboratory diagnostic services, through to November 2018. Quest Diagnostics remains Genomic Vision's exclusive partner for the tests developed together, but the Company can develop and market new tests with other partners in the United States and worldwide, and the royalty rate paid to Genomic Vision has been revised up.

#### **Optimization of the automatic molecular combing platform**

Genomic Vision has improved the automatic platform installed at Quest Diagnostics with:

- a generic version of the high-throughput scanner's image analysis and interpretation software applicable to all of the Company's tests;
- an automatic DNA extractor optimized for molecular combing technology.

Quest Diagnostics thus has all the necessary tools it needs to develop the LDT (Laboratory Developed Test) version of diagnostic tests using molecular combing.

#### **Significant progress in the development of the SMA (Spinal Muscular Atrophy) test**

Genomic Vision has launched a clinical trial, in partnership with Rouen University Hospital, on 360 patients, the enrollment of which began at the end of the year.

Genomic Vision has also been selected for the Horizon 2020 program's BeyondSeq project, which is financed by the European Commission. This program will contribute to the development of an SMA test capable of identifying healthy carriers, who are undetectable using existing techniques.

#### **Vast clinical trial with Reims University Hospital to develop a test for the early detection of cervical cancer**

This study, which comprises two phases, aims to validate the integration of the high-risk human papillomavirus (HPV-HR) as an indicator of the severity of cervical lesions and the risk of developing cervical cancer. The first 3-year phase involves the analysis of 3,500 patients in 11 French hospitals. The second phase will monitor, for a further 3 years, patients who have tested positive for HPV infection. This study is actually the largest ever undertaken using the molecular combing technique.

#### **Strategic partnership with the *Imagine* Institute**

The partnership with Europe's largest genetic research and care cluster has led to the installation of a comprehensive molecular combing platform at the Necker-Enfants Malades hospital. The purpose of this partnership is to identify pathologies caused by complex structural DNA variations that are

difficult to identify with existing methods, and to contribute to the development of new high-value-added genetic tests that will enrich Genomic Vision's product portfolio.

#### **Strengthening of the Company's governance and senior management**

Genomic Vision strengthened its senior management team via the recruitment of 3 experienced managers: Mr. Camille Chypre as Vice-President R&D, Mr. Stéphane Altaba as Vice-President Corporate Development and Mrs. Anne Jacquet as Medical Director.

Moreover, the Shareholders' Meeting of June 30, 2015 approved the appointment of two new members of the Supervisory Board, Mrs. Elisabeth Ourliac, Vice President and Director of Corporate Strategy at the Airbus Group, and Mrs. Tamar Saraga, International Executive Advisor in Mergers & Acquisitions and Strategy.

#### **Recent events and outlook**

##### **Positioning study with Quest Diagnostics for a test of predisposition to breast and ovarian cancer**

This clinical trial, which plans to analyze between 500 and 1,000 de-identified DNA specimens, reflects Quest Diagnostics and Genomic Vision's shared intention of maximizing the success of the launch of the BRCA test by Quest on the American market. This study should be completed by this coming summer.

##### **Molecular combing singled out in a study published by Nature review's Scientific Reports**

Published by researchers from the Rockefeller Institute, Princeton University, Nobel Prize winner Sir Paul M. Nurse from the Francis Crick Institute and Aaron Bensimon, Co-founder and Chairman of Genomic Vision, this study highlights molecular combing's considerable potential as a research and discovery tool, notably thanks to its ability to analyze larger DNA fragments, or even entire chromosomes, of up to 12 Mb in human cells.

**Erwan Martin, CFO of Genomic Vision, comments:** *"Our financial results highlight two major facts regarding our achievements over the past year: firstly, every objective planned in the collaboration with Quest Diagnostics was met, resulting in revenue from activity in line with our expectations; secondly, the technological development of the combing platform, which is now automated, and the structuring of our organization, with the strengthening of the Business Development division, were achieved while limiting the increase in our operating spending. In 2016, we are planning to continue the development of our tests and clinical studies, which will enable us to extend the use of molecular combing technology across the diagnostics and research markets."*

#### **Next financial publication**

- Revenue for the 1<sup>st</sup> quarter of 2016, on Tuesday May 10, 2016\* (before market)

*\* indicative date that may be amended*

## ABOUT GENOMIC VISION

Founded in 2004, Genomic Vision is a molecular diagnostics company that specializes in the development of diagnostic tests for genetic diseases and cancers based on molecular combing. Using this innovative technology that allows the direct visualization of individual DNA molecules, Genomic Vision detects quantitative and qualitative variations in the genome that are at the origin of numerous serious pathologies. The Company is developing a solid portfolio of tests that initially target breast and colon cancers. Since 2013, the Company has marketed the CombHelix FSHD test for identifying facioscapulohumeral dystrophy (FSHD), a myopathy that is difficult to detect. It is marketed in the United States through a strategic alliance with Quest Diagnostics, the American leader in diagnostic laboratory tests, and in France directly by the Company. Genomic Vision has been listed on Compartment C of Euronext Paris since April 2014.

## ABOUT MOLECULAR COMBING

DNA molecular combing technology significantly improves the structural and functional analysis of DNA molecules. DNA fibers are stretched over glass slides, as if "combed", and uniformly aligned over the entire surface. It is then possible to identify genetic anomalies by locating specific genes or sequences in the patient's genome using genetic markers, a technique developed by Genomic Vision and patented under the name Genomic Morse Code. This exploration of the entire genome at high resolution via a simple analysis enables the direct visualization of genetic anomalies that are undetectable by other technologies.

For further information, please go to: [www.genomicvision.com](http://www.genomicvision.com)

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