



GENOMICS | DIAGNOSTIC TESTS | GENETICS | R&D

FIRST-HALF 2018 RESULTS

- Half-year sales of products and services down 30% to €461 thousand
 - Revenue from activity almost stable (-2%) at €1.5 million
 - Current operating loss reduced by 30% to €3.3 million

Bagneux (France) - Genomic Vision (FR0011799907 – GV), a company specializing in the development of in-vitro diagnostic tests (IVD) for the early detection of cancers and genetic diseases and applications for life sciences research (LSR), today announced its first-half financial results to June 30, 2018¹.

First-half 2018 results

<i>(in € thousands – IFRS, unaudited)</i>	H1 2018	H1 2017
Revenue from R&D collaboration with Quest Diagnostics	150	150
Sales of products and services	461	657
<i>Of which: life sciences research (LSR)</i>	<i>319</i>	<i>590</i>
<i>Of which: in-vitro diagnostics (IVD)</i>	<i>143</i>	<i>77</i>
Total revenue from sales	611	817
Other revenue	872	696
Total revenue from activity	1,484	1,513
Net current operating expenses (excluding share-based payments)	4,762	6,221
Current operating income before share-based payments²	-3,278	-4,709
Expenses relating to share-based payments	-57	-211
Other operating income and expenses	0	-594
Operating loss	-3,278	-5,514
Net loss	-3,277	-5,516

¹ Financial statements reviewed by the Supervisory Board on July 24, 2018. Limited review procedures by the Company's auditors on these Financial statements are under way.

² Current operating income before share-based payments is defined and presented in Note 14, Segment Information, to the interim IFRS financial statements to June 30, 2018, which will be available online within the regulatory timeframe.

In the absence of FiberVision® platform sales during the first half of 2018 (see the press release of July 5, 2018), **sales of products and services** were down 30% over the period at €461 thousand, and included:

- €319 thousand generated on the LSR market (-45% compared to the first half of 2017), corresponding to the sale of consumables and services, notably in the field of DNA replication and gene editing quality control;
- €143 thousand generated on the IVD market (+86% compared to the first half of 2017) from sales of the FSHD test in France and China and from royalties paid by Quest Diagnostics, which markets this test in the United States.

Restated for the sale of 2 platforms in the first half of 2017, sales of products and services grew by 71% in the first half of 2018, reflecting solid demand from existing clients, the development of sales of instruments and consumables on the LSR market and the good traction of the services offer deployed among industrial and academic clients.

Total revenue from sales fell 25% to €611 thousand in the first half of 2018, which includes €150 thousand in R&D income corresponding to the distribution throughout the year of license payments by Quest Diagnostics.

Once the other revenue of €872 thousand, corresponding to tax credits (research tax credit, innovation tax credit, competitiveness and employment tax credit), R&D subsidies and Paris region PM'Up program, is taken into account, **total revenue from activity** totaled €1.5 million in the first half of 2018, almost stable (-2%) compared with the first half of 2017.

Net current operating expenses (excluding share-based payments) decreased by 25% to €4.8 million, and include the following major items in addition to the cost of sales:

- €1.8 million in R&D expenses, down approximately 30% thanks to the pursuance of cost-cutting efforts and a refocus on the main high-added-value projects. These expenses essentially correspond to ongoing clinical trials on IVD products and to the targeted development of new services and tools for the LSR market.
- €1.5 million in sales and marketing expenses whose decrease of approximately 20% reflects the end of Genomic Vision's investment in its sales teams during the first half of 2017, the aim being to optimize the sales coverage of its various target markets.
- €1.3 million in general expenses.

The current operating loss before share-based payments improved by 30%, from -€4.7 million at June 30, 2017 to -€3.3 million at June 30, 2018.

Once expenses associated with share-based payments (€57 thousand) are included and in the absence of other operating expenses, which mainly corresponded to non-recurring costs associated with the rationalization of some departments and to the reduction in operating costs completed in 2017, the **operating loss** improved by 40% to -€3.3 million at June 30, 2018.

The net loss was -€3.3 million at June 30, 2018, versus -€5.4 million at June 30, 2017.

At June 30, 2018, Genomic Vision had 45 employees, compared with 53 at June 30, 2017.

Financial structure at June 30, 2018

Genomic Vision had cash and cash equivalents of €1.0 million at June 30, 2018, compared with €2.0 million at December 31, 2017. This figure, which includes €2.0 million from the drawdown of two tranches (7th and 8th tranches) of convertible notes with warrants during the first half and the pre-financing of 2017 research tax credit for a second tranche of €0.5 million, shows a net cash burn of €3.5 million over the period.

On July 18, 2018, the Company carried out the drawdown of a 9th tranche of convertible notes with warrants for €1 million, and still has an additional €3.5 million available via this flexible financing line in accordance with the conditions indicated in the Company's prospectus approved by the AMF on March 28, 2017 under number 17-114 and under contractual conditions, including timeline conditions.

Within this context, Genomic Vision considers that there are uncertainties regarding its financial visibility through to the end of the third quarter of 2018. The Company is pursuing active steps with industrial and financial partners and is looking into all options to obtain additional financing.

First-half 2018 highlights

Life Sciences Research (LSR) market

- **Gene editing quality control**

Genomic Vision was the only European company invited to present its molecular combing technology as a control and safety tool for gene editing applications and the development of gene therapies at the Gene Editing Workshop in April. The objective of this seminar, organized by the National Institute of Standards and Technology (NIST) and the Food and Drug Administration (FDA), was to explore and assess the requirements and standards to be established by these regulatory bodies for all stakeholders within the industry, academia, regulatory agencies and other players involved in using gene editing.

- **Initiation of a collaboration to develop a telomere length assay**

Genomic Vision signed a strategic collaboration with the Children Medical Research Institute (CMRI) in Australia to study the length of telomeres. The CMRI is using the FiberVision® platform to measure the length of telomeres in both children and adults with a view to developing a diagnostic test to identify the risks associated with the most common diseases.

IVD portfolio

- **Spinal muscular atrophy (SMA)**

Quest Diagnostics and Genomic Vision have extended their collaboration with a research program, jointly financed by Quest Diagnostics, that aims to develop a diagnostic test to identify healthy carriers of SMA. This amendment to the initial partnership contract has broadened the base of sales subject to the payment of royalties in order to incorporate all potential future sales of a test resulting from this collaboration.

- **Human papilloma virus (HPV)**

Genomic Vision completed the recruitment of the 688 female patients in the Czech Republic at the end of June 2018. The final results of this study for the transversal phase (diagnosis) are expected by the end of the third quarter of 2018, the longitudinal phase (prognosis) then continuing with a 36-month follow-up. An interim analysis on 126 female patients published in May 2017 demonstrated that the inclusion of 14 high-risk strains of HPV (HPV-HR) detected by molecular combing may offer a relevant indicator of the progress of pre-cancerous lesions and their degree of severity.

- **Ovarian and breast cancer (BRCA)**

The BRCA 1000 study, conducted by Genomic Vision based on DNA samples supplied by Quest Diagnostics, is continuing. The final results are still expected in 2018, Quest Diagnostics having to undertake additional analyses enabling them to confirm the results obtained by Genomic Vision, within a market context where the analysis of susceptibility to hereditary breast cancers is no longer solely based on the BRCA1 and BRCA2 genes, but on a panel of more than 30 genes.

Moreover, within the framework of the signing of an amendment to the strategic partnership contract with Quest Diagnostics for the SMA program, this amendment has defined marketing obligations for Quest Diagnostics regarding the SMA, BRCA and HNPCC (hereditary non polyposis colorectal cancer) tests. Within this framework, Quest Diagnostics must communicate on a launch date and implement, within 60 days of that date, reasonable efforts to market these tests, failing which they may lose their exclusive marketing rights once notified by Genomic Vision. In the specific case of the BRCA and HNPCC tests, Quest Diagnostics should have indicated the expected launch date by March 31, 2018. At June 30, 2018, Quest Diagnostics had still not indicated such a date, which therefore gives Genomic Vision an opportunity to offer the marketing of these tests to other medical biology players in North America.

Recent events

Governance

- **Appointment of Mrs. Isabelle Racamier as President of the Supervisory Board, replacing Mr. Chalom Sayada**

Mrs. Isabelle Racamier, a member of Genomic Vision's Supervisory Board since the Shareholders' Meeting of 2016, has been appointed President of the Supervisory Board following the resignation for personal reasons of Mr. Chalom Sayada who was a member of the Board for 10 years. The members of the Supervisory Board and the Management Board wish to thank Mr. Sayada for his involvement and contribution to the development of Genomic Vision.

Mrs. Racamier is CEO of EsoCap AG, a Swiss company developing a unique drug delivery technology for diseases of the esophagus. Holding a Masters in Management from ESCP Europe (*Ecole Supérieure de Commerce* - Paris), she has over 25 years' experience in the pharmaceutical and biotechnology industry in controlling, strategic planning, marketing and executive management. She has held a number of positions of responsibility in France, Switzerland, the United States, Japan and Austria with Novartis, Boehringer Mannheim/Roche and Sanofi. . She was the General Manager of Sanofi in Austria from 1998 to 2005.

Management

- **Appointment of a new Director of Sales & Marketing**

Mr. Peter Coudenys has been appointed Director of Sales & Marketing, reporting directly to the Chairman of the Genomic Vision Executive Board, following the departure of Mr. David Del Bourgo, who is leaving the Company to pursue other ventures.

An expert in the international development of companies in the Life Sciences sector, Peter Coudenys has devoted most of his career to sales and marketing within major international groups such as Abbott, Medtronic, Biotronik and BSN Medical. Before joining Genomic Vision, he was Vice-President EMEA at Biom'Up.

Benefiting from a well-structured sales team, his mission will consist in deploying a sales strategy based on products and services with greater added value in order to revitalize Genomic Vision's growth.

Next financial publication

- Revenue for the 3rd quarter of 2018: Wednesday October 24, 2018 (before market)

ABOUT GENOMIC VISION

GENOMIC VISION is a company specialized in the development of diagnostic solutions for the early detection of cancers and serious genetic diseases and tools for life sciences research. Through the DNA Molecular Combing, a strong proprietary technology allowing to identify genetic abnormalities,

GENOMIC VISION stimulates the R&D productivity of the pharmaceutical companies, the leaders of the diagnostic industry and the research labs.

The Company develops a robust portfolio of diagnostic tests (breast, ovarian and colorectal cancers, myopathies) and analysis tools (DNA replication, biomarkers discovery, gene editing quality control). Based near Paris, in Bagneux, the Company has approximately 50 employees. GENOMIC VISION is a public listed company listed in compartment C of Euronext's regulated market in Paris (Euronext: GV - ISIN: FR0011799907). For further information, please visit www.genomicvision.com

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FORWARD LOOKING STATEMENT

This press release contains implicitly or explicitly certain forward-looking statements concerning Genomic Vision and its business. Such forward-looking statements are based on assumptions that Genomic Vision considers to be reasonable. However, there can be no assurance that such forward-looking statements will be verified, which statements are subject to numerous risks, including the risks set forth in the "Risk Factors" section of the reference document dated March 28, 2017, available on the web site of Genomic Vision (www.genomicvision.com) and to the development of economic conditions, financial markets and the markets in which Genomic Vision operates. The forward-looking statements contained in this press release are also subject to risks not yet known to Genomic Vision or not currently considered material by Genomic Vision. The occurrence of all or part of such risks could cause actual results, financial conditions, performance or achievements of Genomic Vision to be materially different from such forward-looking statements.

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