

FOR IMMEDIATE RELEASE

IntegraGen announces 2019 first half results: Continued improvement in profitability (+ 31% in EBITDA), supported by growth in sales (+ 15%)

Outlook 2019: Strong growth confirmed

Financial results:

- Sales: 4.2 M€, up + 15% vs. H1 2018
- Operating profit (EBITDA): -0.3 M€, up + 31% vs. H1 2018

Main Operational Advances:

- SeqOIA broadband sequencing platform operational start-up, only 5 months after the award of the operating contract by the SeqOIA Cooperative Health Group (GCS)
- Launch of Galileo, a new software RNA interpretation tool which measures the level of gene expression

Evry, FRANCE (September 23, 2019, 8H00) - IntegraGen (FR0010908723: ALINT - PEA-SME Eligible), a company specializing in the decoding of the human genome, which carries out interpretable genomic analyzes for academic and private laboratories and develops diagnostic tools in oncology, today announced its results for the first half of 2019, the accounts having been reviewed by the Board of Directors on 19 September 2019

KEY INDICATORS – in thousands of euros	H1 2019 (6 months)	H1 2018 (6 months)	Var. %
Revenue	4 165	3 624	+15%
Total operating income	4 183	3 725	+12%
Operating income before taxes, amortization and depreciated (EBITDA)	-325	-471	+31%
Operating income before taxes (EBIT)	-484	-539	+10%
Net profit	-538	-545	+1%
	30 June 2019	31 Dec. 2018	
Cash position – in thousands of euros	2 583	3 946	

Bernard Courtieu, President and CEO of IntegraGen, stated: "IntegraGen's results in the first half of 2019 reflect in several ways the company's refocusing on genomics activities, with a significant improvement in operating profitability (+ 31% EBITDA), a growth in business of 15% and a cash consumption now stabilized after the launch of SeqOIA's clinical sequencing platform of which we are the operator. The stabilization of our business model now permits us to focus on our core know-how in the generation and interpretation of genomic data. We anticipate the growth of all our business lines for the next 18 months, with focus on profitable growth. This growth will mainly be driven by the increase in the SeqOIA platform (which will generate guaranteed revenue over the 2019-2023 period), software associated revenue, which is already

promising, and the growing of the platform we operate for the Institut Pasteur. Our reduction in cash consumption coupled with this growth allows us to pursue our objective of profitable growth.”

FINANCIAL ELEMENTS

Income Statement

Revenue for the first half of 2019 was up 15% to 4,165 thousand euros compared with 3,624 thousand euros during the same period in 2018. After taking into account the transfer of charges and the write-offs of depreciation and provisions, operating income amounted to € 4,183 thousand compared to € 3,725 thousand in the first half of 2017.

Operating expenses amounted to € 4,667 thousand, up 9% compared to the first half of 2018. The implementation and start-up of the SeqOIA platform resulted in additional staffing requirements and one time use of external resources for IT development. Reagent costs remained stable. At the end of June 2019 the company has 45 employees.

Depreciation and amortization expense also increased in relation to the investments made for the SeqOIA laboratory.

The **operating result before taxes, depreciation and amortization (EBITDA)** represents a loss of 325 thousand euros during the first half of 2019 compared to a loss of 471 thousand euros in the first half of 2018, an improvement of 31%. The operating result before taxes showed a loss of 484 thousand euros, also improved compared to the same period of 2018 (-539 thousand euros, + 10%)

After taking into account an extraordinary profit of -122 thousand euros and the Research Tax Credit (CIR) relating to the research work carried out during the period, the net result amounts to a loss of 538 thousand euros, against a loss of 545 thousand euros in the first half of 2018.

▪ Balance Sheet

At the end of June 2019, IntegraGen's **net cash** amounted to 2,583 thousand euros, compared to 3,946 thousand euros at the end of December 2018. Cash consumption therefore amounted to 1,363 thousand euros, of which a little over 600 thousand euros were related to the settlement of short-term debts resulting from the implementation of the SeqOIA platform at the end 2018.

The growth activity IntegraGen has experienced over the last three years has enabled the company to reduce its operating cash burn during this time period.

ACTIVITIES

▪ Genomic Services

Revenue from genomic services amounted to € 4,165 thousand at June 30, 2019, up 15% compared to the first half of 2018. This increase was primarily due to the start of the SeqOIA platform, which generated a turnover of 1,007 thousand euros during the first half of 2019.

▪ Software

The company has been selling interpretation software and consulting services to its customers since 2018. Revenue associated with these items was 313 thousand euros in the first half of 2019. In June 2019 IntegraGen commercialized a new interpretation software, Galileo, which is designed to facilitate

RNA analysis for research and automate the creation of figures to be used for scientific publications. The company now offers three separate genomic data interpretation software packages: MERCURY for the interpretation of tumor data associated with cancer patients, SIRIUS for the genomic analysis of research samples, particularly for research applications related to constitutional genetics, and finally Galileo for RNA expression analysis.

▪ **2019 Perspectives: Strong Growth Confirmed**

IntegraGen has been successful in recent years in capturing a significant share of the genomic research market and subsequently expanding into clinical research through partnerships with Gustave Roussy and APHP. The SeqOIA platform represents a major evolution of the company's business and demonstrates the team's ability to set up an industrial sequencing platform in just a few months is a testimony to the company's expertise in this field. This new orientation into a clinic setting represents a major opportunity given the growth of the European market and the need to offer patients a wider range of genomic services in this area.

In addition, the company is pursuing its commercial software efforts with a view to establishing strong and lasting partnerships with major research institutes in France and internationally.

Over the next 18 months IntegraGen envisions growth in each of the company's lines of business with an already visible increase in order intake in late H1 2019. The company foresees growth coming from its genomic services business for R&D and clinical research, the ramp-up of the SeqOIA platform over the next four years, and the operation of the sequencing platform for the Institut Pasteur. Additionally, the company plans to seek new opportunities internationally related to clinical sequencing based on the demonstrated results in France related to both clinical genomics and interpretative software offerings.

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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FINANCIALS AS OF JUNE 30, 2019

P&L – INTEGRAGEN SA

<i>in K€</i>	H1 2019	H1 2018	Var. %
Revenues	4 165	3 624	+15%
Operating subsidies and other revenues	18	102	(82%)
Total Revenues	4 183	3 726	+12%
Operating costs	(4 667)	(4 264)	(9%)
Operating profit	(484)	(539)	+10%
Current result	13	(4)	
Exceptional Profit/Loss	(122)	(104)	
Taxes (CIR)	54	101	(46%)
Net result	(538)	(545)	(1%)

BALANCESHEET – INTEGRAGEN SA

<i>In K€</i>	30/06/2019	31/12/2018
Long-Term Assets	1 189	1 251
Stocks	319	389
Accounts Receivable	2 197	2 324
Other Receivables	708	612
Cash	2 644	4 006
Current Assets	5 867	7 331
Translation difference	5	0
TOTAL ASSETS	7 061	8 583

<i>In K€</i>	30/06/2019	31/12/2018
Net Equity	2 255	2 794
Other Equity	205	277
Contingency	159	76
Notes payable to banks	271	300
Accounts Payable	2 252	3 988
Other short-term debts	1 919	1 143
Translation difference	0	5
TOTAL LIABILITIES	7 061	8 583