

PRESS RELEASE — FOR IMMEDIATE DISTRIBUTION

IntegraGen reports 2019 annual results: +20% sales growth, positive gross operating surplus during second half of year, and close to breakeven for the year

- **Operating surplus of 255 K€ in the second half of 2019, -70 K€ over the entire year**
 - **Sustained increase in activity during 2019: +20%**
 - Start-up of SeqOIA sequencing platform operations
 - Increase in activities carried out at the Institut Pasteur
 - **Acceleration of software sales activities focusing on the interpretation of genomic data**
 - **Implementation of measures to ensure continuity of operations despite the COVID-19 pandemic with maintenance of genomic activity and preservation of financial resources**
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Evry, France (Friday, April 20, 2020 – 7h30) - IntegraGen (FR0010908723 – ALINT – Eligible PEA PME), a company specializing in the decryption of the human genome, which performs interpretable genomic analyzes for academic and private laboratories, today announced its financial results for the year ending December 31, 2019. The annual accounts were approved by the Board of Directors at a meeting held on April 2, 2020.

Bernard Courtieu, Chairman and CEO of IntegraGen said: "2019 was marked by a significant increase in our sales, in particular as a result of the start-up of the SeqOIA platform. IntegraGen recorded a positive gross operating surplus during the second half of the year, representing 6% of sales, which enables us to reach an EBIT close to breakeven over the entire year. This financial performance enables us to stabilize our cash flow needs. We have continued to develop our software for interpreting genomic data and are putting the resources in place to accelerate its commercialization in 2020."

SUSTAINED SALES GROWTH DURING 2019: +20%

In 2018, the GCS SeqOIA, made up of the Assistance Publique-Hôpitaux de Paris (AP-HP), the Institut Curie and the Gustave Roussy cancer center, selected IntegraGen's bid to supply a service to operate a high-speed sequencing data production platform. The operation of this platform started in early 2019 and the first patient samples were sequenced in June 2019. This contract made it possible to achieve a turnover of 2,037 K€ during the financial year.

Genomic services activities, which include services provided to research laboratories clinical research teams, are now concentrated in our Evry site. In total, the IntegraGen team carried out more than 475 projects for 130 academic and private entities, while the clinical research platform has sequenced more than 900 samples from more than 310 patients included in prospective trials. After a slow start to the year, volumes and order intake rebounded sharply in the second quarter.

IntegraGen also continues to provide services on behalf of the Institut Pasteur's shared microbiology (P2M) platform. In 2019, this activity generated turnover of 1,010 K€, up 27% compared to the previous year. The contract was renewed in March 2020 for a period of 22 months ending in December 2021. The IntegraGen team is closely supporting the experts from the various National Reference Centers (CNR) of the Institut Pasteur. The P2M is currently primarily dedicated to the sequencing of the coronavirus during the Codiv-19 pandemic.

INCREASE IN SALES OF GENOMIC INTERPRETATION SOFTWARE

The company currently offers three distinct software for interpreting genomic data, available on the cloud as SaaS tools: MERCURY™, for the interpretation of data from patients with cancer-related tumors, SIRIUS™ for analyzing research samples, particularly for research applications in constitutional genetics, and, Galiléo™, launched in 2019, for the analysis of RNA expression data. The sale of software tools generated revenue of 527,000 €, up 29% compared to the prior year.

This segment represents strong development potential for the company in both in Europe and the Americas. The agreement announced on March 26 with the Dana-Farber Cancer Institute, a U.S. leader in cancer research and treatment, for the use of MERCURY is a major step. The decision made by Dana-Farber's use MERCURY demonstrates the utility of the software in the interpretation and reporting of oncology sequencing data.

2019 FINANCIAL RESULTS: SIGNIFICANT IMPROVEMENT IN PROFITABILITY

PRINCIPAUX INDICATEURS EN MILLIERS D'EUROS	2019	2018	Var. %
Total operating revenues	8 323	7 069	+18%
<i>Inc sales</i>	8 280	6 922	+20%
<i>Other revenues</i>	43	147	ns
EBIT	(70)	(1038)	+67%
EBITDA	(363)	(1 179)	+69%
Pre Tax CURRENT RESULT	(302)	(1193)	+75%
NET RESULT	(285)	(1 140)	+75%

SIGNIFICANTLY IMPROVED PROFITABILITY BETWEEN S1 AND S2 DURING 2019

KEY DATA IN K EUROS	S1 2019	S2 2019	Total 2019
Total revenues	4 183	4 140	8 323
EBITDA	(326)	255	(70)
EBIT	(484)	121	(323)
NET RESULT	(538)	254	(285)

SIGNIFICANT IMPROVEMENT IN OPERATING RESULT

The company became cash flow positive in the second half as a result of the company's commercial and scientific development efforts in recent years as well as the rigorous management of resources.

Operating revenues increased 18% while operating expenses increased only 5% compared to 2018.

Purchases of consumables amounted to 2,564 K€, down 7% compared to the previous year. New sequencing equipment installed in early 2019 has made it possible to take steps towards lowering the company's costs associated with sequencing services. While employee costs were up 4%, the company's workforce increased by 7%. Other operating expenses amounted to 2,526 K€, the 16% increase being mainly related to new equipment leasing contracts concluded at the end of 2018.

The annual gross operating surplus (EBITDA) was close to breakeven. It amounted to (70) K€, compared to (1,038) K€ in 2018.

The operating loss is therefore a clear decrease compared to previous years amounting to 363 K€ in 2019 compared to 1,179 K€ in 2018 and 1,930 K€ in 2017.

The financial result represents a gain of 61 K€ against a loss of 14 K€ the previous year. The exceptional result is a net loss of 136 K€ compared to a loss of 139 K€ in 2018.

Research, development and innovation efforts have resulted in a tax credit of 153 K€, compared to 193 K€ in 2018.

IntegraGen limited its loss to 285 K€ compared to a loss of 1,140 K€ in 2018.

A STRONG BALANCE SHEET

<i>In K€</i>	Dec 31, 2019	Dec 31, 2018
Long-Term Assets	1 057	1 251
Stocks		
Accounts Receivable	290	389
Other Receivable	1 827	2 324
Cash	767	612
Current Assets	2 807	4 006
Translation difference	5 691	7 331
TOTAL ASSETS	0	0
	6 748	8 583
<i>In K€</i>		
Shareholders' Equity	Dec 31, 2019	Dec 31, 2018
Other Equity	2 509	2 794
Contingency	47	277
Notes payable to banks	139	76
Accounts Payable	241	300
Other short term debts	1 839	2 880
Translation difference	1 971	2 252
TOTAL LIABILITIES	2	5
<i>In K€</i>	6 748	8 583

Net cash at the end of 2019 amounted to 2.7 M€ compared to 3.9 M€ at the end of 2018. It includes:

- 2,807 K€ in cash and investment securities.
- 58 K€ of financial debts of less than 1 year, linked to the loan taken out in 2018 for an amount of 300 K€ with Société Générale, repayable over 5 years.

For 2019, operational cash consumption amounted to 0.7 M€, of which 0.6 M€ were related to short-term operating debts, recorded in the balance sheet in December 2018 and related to non-recurring purchase of specific equipment for the SeqOIA platform.

2020 OUTLOOK: CONTINUED EXPECTED GROWTH

The SeqOIA project should contribute a minimum sale revenue of 2,700 K€, and as a result, we anticipate strong growth in sales for the financial year.

The company also plans to increase sales of software for interpreting sequencing data (SIRIUS, MERCURY and GALILEO) as SaaS tools (Software as a Service). The recent agreement with the Dana-Farber Cancer Institute noted above is a major validation of this software strategy.

The company's contract with the Institut Pasteur was extended until December 2021, on the basis of a slightly higher level of service.

The available cash will finance operational and investment needs.

IMPACT OF THE HEALTH CRISIS

The company continues to fulfill its commitments to its customers and employees by making sure to rigorously adjust its resources. The team based at the Evry laboratory and the team based at the Pasteur Institute continue their activity.

The company has set up a continuity plan, including teleworking for all IT and commercial teams, but also, from March 20, the implementation of partial unemployment measures, the deferral of payment of social and tax charges, and various other activities to preserve cash.

As of March 31, available cash was € 2.5 M€ and revenue (unaudited) was up 10% from the same period in 2019. Although IntegraGen is unable to assess the outlook to date of the second half of 2020, the company continues its sequencing operations, thanks to the commitment of the teams at our Evry site and the Pasteur Institute, and to the work of our bioinformatics experts via teleworking. The stability of the economic model of the company, based primarily on long-term guaranteed contracts and on academic and clinical research projects, in theory economic sectors which are less impacted by the crisis, should enable the company to resume normal activities when possible and the recovery of most of the lack of activity recorded during the pandemic.

About IntegraGen

IntegraGen is a company specializing in the analysis of the human genome and performs adaptive and quickly interpretable analyses for academic and private laboratories. For the management of cancers, which are characterized by a genetic disruption of cells, IntegraGen provides

researchers and doctors with universal and individualized therapeutic guidance tools allowing them to adapt the treatment to the patient's genetic profile.

IntegraGen has forty-six employees and generated revenue of € 8.3 million in 2019. Based in the G nopol  d'Evry, IntegraGen is also located in the United States in Cambridge, MA. IntegraGen is listed on Euronext Growth in Paris (ISIN: FR0010908723 - Mnemo: ALINT - Eligible PEA-PME).

For more information, visit www.integragen.com



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