

STRONG GROWTH OF 2019 ANNUAL RESULTS

- +40% growth of EBITDA at **7 M€**
- Positive net result at **3.2 M€** (vs **-2.8 M€** in 2018)

Paris, April 14, 2020 – 8:00 am

Eurobio Scientific (FR0013240934, ALERS, eligible PEA-PME), a leading French group in the field of specialty in vitro medical diagnostics, presents today its 2019 consolidated annual results which were established according to French accounting standards and were approved by the company's board of directors which met on April 13, 2020¹.

Strong growth of overall results

in M€	2019 consolidated	2018 consolidated	Variation
IVD product sales	59.1	50.5	+17.0%
Other revenues	0.4	0.6	
Total revenues	59.5	51.1	+16.4%
Cost of goods sold	(39.5)	(32.1)	+23.1%
Gross margin	20.0	19.0	+5.3%
R&D expenses	(1.6)	(1.4)	+14.3%
Marketing and sales expenses	(10.9)	(10.7)	+1.9%
G&A expenses	(4.0)	(5.3)	-24.5%
Operating result	3.4	1.6	+112.5%
EBITDA	7.0	5.0	+40.0%
Financial result	0.1	(1.2)	
Extraordinary result	(0.5)	(0.4)	
Goodwill amortization	(2.8)	(2.8)	
Taxes	3.0	0.0	
Net result	3.2	(2.8)	
Net result before amortization of goodwill and taxes	3.0	0.0	
Cash	7.6	11.0	
Financial debt excluding leasing	15.1	20.0	
Shareholders equity	35.2	28.2	

Eurobio Scientific presents annual results for 2019 which confirm the achievement of its growth and **profitability targets almost a year ahead of schedule**. **2019 sales reached € 59.1 million, i.e. almost the 25% target of overall sales growth expected between 2017 and 2020**. On a comparable basis, excluding sales of Pathway and Personal Diagnostics (Great Britain), turnover increased by 15% over the year. This growth again largely outperforms the market, which remained stable in France in 2019.

The decrease in the gross margin is linked both to the increase of the US dollar in 2019 and to the reallocation of expenses previously classified as general and administrative expenses.

In the end, the results are growing faster than the turnover. EBITDA continued to grow at + € 7.0 million compared to + € 5.0 million in 2018, a + 40% increase. Operating profit amounted to + € 3.4 million compared to + € 1.6 million last year (+ 112.5%).

¹ The audit procedures on the consolidated accounts have been carried out by the statutory auditors, and their certification report will be issued after verification of the management report.

R&D spending remains at - € 1.6 million in 2019 : efforts are concentrated on the development of new diagnostic tests with potential for rapid market access, in particular with the EuroBioPlex range in molecular biology. They allow the Company to benefit from € 0.4 million in Research Tax Credit.

Financial expenses amounted to - € 0.7 M, down compared to 2018 with a decrease in interests paid in particular on the mezzanine debt contracted in 2017. These charges are offset by a foreign exchange gain of + € 0.8 million linked to the revaluation of financial assets in dollars.

The extraordinary result of - € 0.5 million is primarily related to the Group's last commercial restructuring expenses.

In 2019, the Group recognized a tax income of + € 3.0 million, corresponding mainly to the activation of two years of loss carryforwards, Eurobio Scientific being now taxable. After taking into account € 2.8 million in amortization of goodwill, the net result for 2019 is positive, for the first time in the history of the Group, with a profit of + € 3.2 million, compared to a 2018 loss of - € 2.8 million. Excluding amortization of goodwill and tax income, net profit was + € 3.0 million.

The total amount of cash was € 7.6 million as of December 31, 2019 and shareholders' equity was € 33.6 million. Financial debt is down to € 15.1 million, excluding leasing, compared to € 20.0 million at the end of 2018. This 25% decrease reflects the group's effort to further deleverage.

Denis Fortier, Deputy Chief Executive Officer of Eurobio Scientific said: "Achieving our 2020 turnover target almost a year ahead is concurrent with a significant increase in our profitability. Eurobio Scientific continues to benefit from the virtuous effect of an organization structured for growth, with expenses that are growing much more slowly than turnover."

"Good profitability allows us to strengthen our capacity to produce and distribute diagnostic tools essential for medicine. This is how we were able to mobilize quickly and offer a full range of tests and equipment for public and private laboratories which are on the front line in the fight against the COVID-19 epidemic. I would like to salute their efforts and thank our employees for their commitment during this unprecedented crisis."
"Concludes Jean-Michel Carle, Chairman and CEO.

COVID-19 update

In the context of the health crisis linked to the COVID-19 epidemic, Eurobio Scientific has succeeded in rapidly making available to public and private laboratories a range of effective tests, imported and produced in-house. To this end, in addition to the measures intended to limit the infection of its employees by the Coronavirus, the Group has maintained and implemented an organization in order to ensure both the continuity of its distribution logistics which activity increased substantially, the installation and maintenance of instruments in hospital and private laboratories, and the manufacture of proprietary test kits.

Since the start of the crisis, the products sold have been molecular biology tests intended to identify the presence of the virus. This is the Allplex Coronavirus test by Korean partner Seegene, of which Eurobio Scientific is the exclusive distributor in France, and the proprietary EBX 041 SARS CoV2 test, designed and produced in-house.

To these molecular biology tests will gradually be added serological tests which objective is to identify in the blood the presence or absence of antibodies directed against the SARS CoV2 virus, for which Eurobio Scientific is ready with the launch of a first MagLumi COVID-19 automated serological test from its Chinese partner SNIBE.

Eurobio Scientific has so far recorded a total amount of orders of around 14 million euros for all tests and equipment related to Covid-19, of which 7 million euros have already been invoiced. The fulfillment of these orders will depend on the ability of suppliers to ensure the supply of raw materials or necessary tests, and of carriers to ensure shipments in a very constrained general geopolitical environment. The distribution of this turnover between the different types of tests will depend on future government decisions, in particular on deconfinement strategies.



As health services have focused primarily on the fight against Covid-19, a number of routine medical procedures have been canceled or postponed. In this context, the company anticipates a slowdown in its activity outside of Covid-19, with a reduction in turnover to levels similar to those usually observed during holiday periods. To date, the increased activity linked to Covid-19 has more than compensated this slowdown, and, with a continuation of current trends, the company now expects a marked increase in its turnover in 2020.

Warrants

In 2017 Eurobio Scientific issued warrants to the Harbert European Growth Capital Fund giving access through exercise to **181,818 shares at a unit price of € 4.40**.

On April 3, 2020, half of these warrants were exercised, and the other half was repurchased by the company for a total amount of **€ 645 K** in order to cancel the warrants and limit the dilution of existing shareholders. Only 90,909 new shares were thus issued, representing 0.8% of the 11,143,171 issued Eurobio Scientific shares.

Next financial meeting

Annual shareholders meeting : June 23, 2020

Disclaimer

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About Eurobio Scientific

Eurobio Scientific (ex Diaxonhit) is a key player in the field of specialty in vitro diagnostics. It is involved from research to manufacturing and commercialization of diagnostic tests in the fields of transplantation, immunology and infectious diseases, and sells instruments and products for research laboratories, including biotechnology and pharmaceutical companies. Through many partnerships and a strong presence in hospitals, Eurobio Scientific has established its own distribution network and a portfolio of proprietary products in the molecular biology field. The Group has approximately 120 employees and two production units based in the Paris region and in the United States, and an affiliate based in Dorking UK.

For more information, please visit : www.eurobio-scientific.com

The company is publicly listed on the Euronext Growth market in Paris

Euronext Growth BPI Innovation, PEA-PME 150 and Next Biotech indices.

Symbol: ALERS - ISIN Code: FR0013240934 - Reuters: ALERS.PA - Bloomberg: ALERS:FP

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