

BIOCORP

2017 Annual results

- Industrialization contract amounting € 1 million signed with VIRBAC
- Strategic partnership signed for the Newguard™ device with a leading global player in the heparin market
- CE mark approval for Easylog™ and partnerships to be started
- 2017 turnover: € 2.321k
- R&D invests: € 1.918k

Issoire, April 6th, 2018, 7:00 am CEST – BIOCORP (FR0012788065 – ALCOR / Eligible PEA-PME), a French company specializing in the development and manufacturing of innovative medical and drug delivery devices, announces today its annual results for the year that ended on December 31, 2017, as approved by the Board of directors on April 3rd (1).

“Connected devices Datapen™, Easylog™, Inspair™ and Onejet™ turn BIOCORP into a key player in the field of connected systems for chronic diseases treatment: many contacts and feasibility phases have been initiated with several pharmaceutical companies. As demand for this type of connected solution is extremely strong, BIOCORP has continued to structure its development team to meet the needs of the market.

The unconnected business is no exception since a strategic partnership with a leading global player in the heparin market has been signed for Newguard™. An industrialization contract has also been signed with VIRBAC, a company dedicated to animal health, for an amount of € 1 million for the development of an innovative administration and closure system for vials; the first deliveries are expected on the first semester of 2018. This is an incontestable recognition of our products quality and our innovation strategy in targeted areas.

The annual turnover is slightly below than expected due to lower orders on some of our historical products but mainly due to prepaid income of € 780k on the Virbac project; which will therefore have a positive impact on sales in the first half of 2018. Operating expenses increased by € 2,774k, largely explained by the termination of the Carpsel and Newseal contract with NUOVA OMPI, resulting in an allocation to provisions on fixed assets of € 2,371k, without any impact on the cash position of the company.

We are therefore successfully pursuing our development strategy in our two areas of activity and are planning to launch our connected products in 2018 with partners, in Europe and the USA as a first step” commented Jacques Gardette, founder and CEO of BIOCORP.

(1) The audit procedures on the annual accounts have been carried out. The certification report is being issued.

2017 highlights

- Signed an industrialization contract with VIRBAC for the development of an innovative administration and closure system for vials
- Ordered feasibility and evaluation studies for non-connected and connected platforms (Newguard™, Datapen™, Easylog™ and Inspair™)
- Signed a strategic partnership for the Newguard™ device with a leading global player in the heparin market
- Received CE mark approval for smart cap Easylog™
- Won CPhI Pharma Awards in the “IT, mHealth and Digitalization“ category for its entire connected devices range
- Strengthened intellectual property: 4 new patents and a soleau envelope, issuance of 7 patents including Australia, Russia, Japan and the US
- Broke partnership with Nuova Ompi on Newseal™ and Carpséal™ with a € 2.3m accounting entry (provisioning for intangible assets) and an impact on the item “Other operating expenses“
- Obtained a € 500k assistance from Bpifrance Financing for the “Development of pen injector” project

2017: Development strong dynamics goes on. BIOCORP stands out as a major player in digital health and industrializes its patented medical devices developed by the R&D department.

Annual financial results highlight the development strategy continuation and activities structuring set up after the IPO in July 2015. International development dynamics is strong and fits the company expectations. BIOCORP confirms its innovation policy with the continuation of research projects, existing projects finalization and the widening of products range, as well as the intensification of commercial development with the signature of agreements and significant partnerships. Regarding the intensification of activities, BIOCORP still supports expenses in relation with the development of its products for several major clients, without benefiting from matching revenues.

Turnover reached € 2,321k in 2017, down from 2016 (€ 2,950k), mainly generated by traditional products sales which are the main generator of recurring revenue. An amount of € 780k corresponding to tool manufacturing hasn't been accounted in the 2017 turnover and will be reported on the first semester of 2018.

In 2017, **other operating income** amounted to € 306k and were mainly composed of the variation in stored production (€220k) and expense transfers (€ 80k).

Operating expenses amounted € 10,474k, that is to say a 36% increase compared to 2016, the R&D effort representing a 18% of expenses. This increase is primarily due to the OMPI contract break up which generated a provision for the additional technical mali on the remaining balance, ie € 2,371k, along with the amount of the break agreement, ie € 137.5k. Both companies had different views on the product promotion and strategic opportunities, which prevented the collaboration from succeeding. The € 270k residual increase results from the outsourcing increase of tools manufacturing, the expenses related to investments in a design and manufacture workshop for injection tools that will allow BIOCORP to be more responsive and to save on external maintenance costs. The strengthening of the operating structure of BIOCORP over a full year amounts to € 400k in these expenses increase. Since the IPO, the company has been in a high investment phase and has focused on strengthening its Research & Development and its Quality & Regulatory departments, which are strategic services for business development.

Given these elements, the **operating result** is negative at (€ 7,846k) in 2017 against (€ 4,665k) in 2016. The **financial result** shows a loss of (€ 12k) in 2017 against (€ 1k) in 2016.

Exceptional profit amounting to (€ 23k) vs. € 17k last year, are mainly due to committed expenses for a feasibility study on the extension of the company's offices amounting to € 45k.

In 2017, BIOCORP benefited from Research Tax Credit and Innovation Tax Credit for € 373k, compared to € 201k in 2016.

Considering these information, the 2017 **net result** is negative at (€ 7,509k) against (€ 4.448k) in 2016.

On December 31, 2017, BIOCORP posted free cash of € 691k vs € 4.739k on December 31, 2016. The level of equities is (€ 1.264k) against € 6.245k in 2016.

In €	12/31/2017	12/31/2016
Sales	2 321 083	2 950 164
Other operating income	306 221	85 085
Total operating income	2 627 304	3 035 249
Operating expenses		
External purchases and expenses	3 540 433	3 387 601
Taxes, duties and other levies	79 212	80 998
Wages and expenses	3 404 423	3 029 485
Other operating expenses	3 449 680	1 201 777
Total operating expenses	10 473 748	7 699 861
Net operating income	-7 846 445	-4 664 612
Net financial income	-12 300	-1 360
Exceptional item	-22 974	17 444
Research Tax Credit and Innovation Tax Credit	373 019	200 882
Net profit	-7 508 699	-4 447 646

Objectives and outlook for 2018:

BIOCORP intends to continue its development on different strategic lines:

- Expand and intensify the development of its injectable connected devices and expand them to new applications, whether in respiratory or ophtalmic fields
- Continue partnerships for developing and manufacturing Newseal[®], Carpseal[®] and Newguard[®] as well as the innovative vial closure and delivery device developed for VIRBAC
- Initiate new development and industrialization programs thanks to specific developments and services on a project mode relying on BIOCORP know-how
- A private placement transaction or other alternative financing by the end of the first semester will help in ensuring business continuity

ABOUT BIOCORP

Founded in 2004 in Issoire (near Clermont-Ferrand), France, BIOCORP is a French company specializing in the development and manufacturing of medical devices and innovative drug delivery systems. It is listed as 'Innovative Company' by the French public investment bank Bpifrance. With over twenty years of experience and more than 30 million units of manufactured products a year and 21 patents families, BIOCORP is a key player in the industry, providing drug delivery solutions that meet the evolving needs of patients. Today, BIOCORP continues to innovate in medical plastics processing, its core business, and to market traditional devices (alternative to aluminum capsules, syringes and vials administration systems) that have been an important source of recurring income. Its solid expertise and capacity to innovate have allowed the company to develop new connected products range, including: the Datapen, a reusable smart injection pen that automatically transmits data to a mobile app; and treatment management add-on, such as Easylog that turns any existing insulin pen into a smart device. BIOCORP is listed on Alternext since July 2015 (FR0012788065 – ALCOR).

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(1) source : <https://www.transparencymarketresearch.com/pressrelease/global-biologics-market.htm>.