

## RESULTS FOR THE FIRST HALF OF 2023

### Solid performance of Core Business and acceleration of strategic deployment

- First positive effects of the GenDx acquisition completed in October 2022:
  - Strong half-year sales growth: core business up 37%
  - Share of proprietary products up at 30% of sales
  - Increased internationalization, with 35% of sales generated outside France
  - Gross margin<sup>1</sup> maintained at a high level (46.5% vs 48.5%)
- EBITDA<sup>1</sup> margin at 23% in a context of intensified R&D
- Robust financial position

Paris, October 11, 2023 – 18:50 - Eurobio Scientific (FR0013240934, ALERS), a leading French group in in vitro specialty medical diagnostics and life sciences, today announced its consolidated interim results for the first half 2023, established according to French accounting standards and approved by the company's board of directors which met on October 10, 2023<sup>2</sup>.

Eurobio Scientific's results at June 30, 2023 reflect both the Group's refocus on its core business and the impact of external growth, notably GenDx acquisition. The Group records, in an inflationary background, an EBITDA margin of 23% (compared with 12% in 2019, before the pandemic). Depreciation, reversals and amortization of assets arising from the PPA as well as goodwill amortization reduces operating income, but these have no effect on the Group's cash position and are mostly non-recurring.

The sharp rise in the share of proprietary products, the internationalization of our activities and the implementation of synergies between the Group's various entities should continue to fuel the virtuous dynamics underway, in terms of both business growth and earnings.

In €m	June 30, 2023	June 30, 2022	% change
In vitro diagnostics & R&D products revenues	59.2	83.7	-29%
<i>Of which core business revenues</i>	<b>59.2</b>	<b>43.0</b>	<b>+37%</b>
Operating subsidies and other revenues	0.2	0.6	-
Total revenues	59.4	84.3	-30%
Cost of goods sold	-31.8	-43.4	-27%
<b>Adjusted gross margin<sup>1</sup></b>	<b>27.5</b>	<b>40.9</b>	<b>-33%</b>
<b>Gross margin</b>	<b>24.0</b>	<b>40.9</b>	
R&D expenses	-3.1	-1.4	+121%
Marketing and sales expenses	-7.8	-8.9	-12%
G&A expenses	-5.4	-6.3	-14%
Amortisation of intangible assets acquired through business combinations	-5.8	-1.0	-
Amortisation of goodwill	-1.4	-1.4	-
<b>Operating result</b>	<b>4.1</b>	<b>22.0</b>	<b>-</b>
<b>Adjusted operating result<sup>3</sup></b>	<b>11.2</b>	<b>24.4</b>	<b>-54%</b>
<b>Adjusted EBITDA<sup>1</sup></b>	<b>13.4</b>	<b>26.0</b>	<b>-49%</b>

<sup>1</sup> Adjusted for the reversal of the value of inventory (€3.5m) allocated to the PPA related to GenDx acquisition and sold since then - non-recurring

<sup>2</sup> The auditing procedures of the accounts by the statutory auditors are still in progress.

<sup>3</sup> Adjusted (i) for the non-recurring reversal of the value of inventory (€3.5m) allocated to the PPA related to GenDx acquisition and sold since then, (ii) the amortization of intangible assets allocated to the PPA and (iii) goodwill amortization

Financial result	-1.3	0.4	-
Extraordinary result	0.1	-0.1	-
Taxes	-0.7	-3.1	-77%
Net result	2.2	19.2	-
<b>Adjusted net result<sup>3</sup></b>	<b>9.4</b>	<b>20.6</b>	<b>-54%</b>

	June 30, 2023	Dec 31 <sup>st</sup> , 2022
Cash before DID acquisition advance (28.06.23)	89.0	85.9
Financial debt excluding leasing	101.0	108.0
Shareholders' equity	174.9	172.7

## Strong growth in core activities

Eurobio Scientific recorded sales of €59.2m in the first half of 2023 from its core business, with activities related to the detection of COVID now not significant. Excluding exceptional sales from the COVID business (€40.6m in H1 2022), growth for the first half of 2023 was +37%, and +7% on a pro forma basis.

In transplantation, the Group is successfully pursuing its previously announced strategy of replacing its historical distribution contract for One Lambda tests with its own products, i.e. those of its subsidiary GenDx, whose innovative proprietary tests are gradually replacing the distribution products, with a very positive impact on the Group's gross margin.

The three main effects of the acquisition of GenDx are:

- a very significant increase in sales generated by proprietary products, which share reached 30% of total sales compared with 18% of core business sales in 2022,
- a strong growth in international sales, which will account for 35% of sales in the first half, compared to 25% of core business sales in 2022, and
- a gross margin<sup>1</sup> maintained at a high level, 46.5%, in line with the previous year's figure for the same period (48.5%), which included the exceptional activity linked to COVID, a major contributor to profitability. This margin is significantly higher than the 33.8% achieved by the Group in 2019 before the start of the pandemic. Gross margin is adjusted to exclude the non-recurring reversal of the value identified in the purchase price allocation (PPA) and corresponding to the inventory of products manufactured by GenDx at the time of the acquisition and sold since.

## High EBITDA<sup>1</sup> margin of 23% against a backdrop of R&D intensification and inflation

At 30 June 2023, operating expenses were broadly stable at €16.3m, compared with €16.6m in the first half of 2022, with a rise in R&D expenses offset by a fall in sales and marketing and G&A expenses.

In line with the Group's strategy of increasing the share of proprietary products, R&D expenditure rose to €3.1m from €1.4m a year earlier, with the integration of GenDx's molecular biology development activities. Thanks to this acquisition, the Group now has a mature R&D and bioinformatics team, renowned in the field of NGS (new generation sequencing).

Conversely, marketing and sales costs fell by around €1m to €7.8m due to the decline in COVID business in France, and general and administrative costs were also reduced by almost €1m. The Group is pursuing its efforts to structure what has become an international group, while keeping a tight rein on costs.

EBITDA reached €13.4m, giving an EBITDA margin of 23%. By way of comparison, in 2019, before the start of the pandemic, the Group posted EBITDA of €7m, representing 12% of sales.

Operating profit was €4.1m, due to non-cash and mostly non-recurrent items: reversal of the value of inventory allocated to the PPA (€3.5m), amortization of intangible assets arising from the PPA, mainly relating to GenDx, and amortization of goodwill. Adjusted for their impact, operating profit reached €11.2m.

Interest expense on the Group's borrowings, which was kept under control thanks to the interest rate hedging contracts put in place by the company, was partially offset by interest generated by cash investments, resulting in net interest expense of only €1.3m.

After a tax expense of €0.7m, net profit amounted to €2.2m at 30 June 2023. Restated for the impact of the mostly non-recurring items listed above, it reached €9.4m.

### 11.4m cash flow from operations and very limited financial debt

Eurobio Scientific generated operating cash flow of €11.4m in the 1st half, representing a cash conversion ratio of 85% of EBITDA.

With the advance fund transfer for the DID acquisition, Eurobio Scientific had a cash of €89m at 30 June 2023, with total financial debt of €101m, leading to a net financial debt of €12m, compared with €22m at 31 December 2022.

### Accelerating strategic deployment

The Group is successfully pursuing its strategy of targeted geographic and technological expansion, with the ambition of becoming a major international company in the specialty diagnostics market, offering its customers a comprehensive offering based on molecular diagnostics with its own solutions and those of its partners.

With 30% of proprietary products and 35% of its sales outside France in the first half of 2023, the Group's strategic deployment is gathering pace, driven by organic growth - which is increasingly benefiting from synergies between the Group's different entities - and external growth. The Group remains active in both these areas, with its entry into the Italian market in early July 2023 through the acquisition of DID, and the purchase in March 2023 of the GenDx product distribution business in France from Bedia Genomics. These acquisitions will accelerate the Group's development by continuing to roll out the distribution of its own products internationally, and by harnessing the synergies generated by the acquisitions already made.

### Next financial meeting

2023 FY revenues: January 30, 2024, after market closes

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#### About Eurobio Scientific

Eurobio Scientific 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 now has over 300 employees and four production units based in the Paris region, in Germany, in the Netherlands and in the United States, and several affiliates based in Dorking UK, Sissach Switzerland, Bünde Germany, Antwerp Belgium, Utrecht in The Netherlands and Milan in Italy.

Eurobio Scientific's reference shareholder is the EurobioNext holding company which brings together its two directors, Jean-Michel Carle and Denis Fortier, alongside the "Pépites et Territoires" by AXA & NextStage AM investment program, managed by NextStage AM.

For more information, please visit: [www.eurobio-scientific.com](http://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, Euronext European Rising Tech label.  
Symbol: ALERS - ISIN Code: FR0013240934 - Reuters: ALERS.PA - Bloomberg: ALERS:FP

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