

## EXCEPTIONAL 2020 RESULTS

- EBITDA : € 88.2m (x12.6)
- Net income : € 73.5m (x23)
- Consolidation of a new dimension for the Group

Paris, April 29, 2021 5:45 pm

**Eurobio Scientific (FR0013240934, ALERS, PEA-PME eligible)**, a leading French group in the field of specialty in vitro medical diagnostics, presents today its 2020 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 29, 2021<sup>1</sup>.

The exceptional activity recorded by Eurobio Scientific in 2020, thanks to the Group's commitment to the fight against the COVID-19 epidemic combined with the continuation of organic growth in traditional activities, is reflected in a historic level of results. Eurobio Scientific is thus taking a decisive step in its development and entering 2021 with a strengthened commercial position coupled with significant financial resources. These will enable the Company to finance its organic and external growth as well as its R&D to accelerate the development of proprietary products. The Group confirms its position among the French leaders in medical diagnostics and has the means to consolidate the new dimension acquired in 2020.

in M€	2020 consolidated	2019 consolidated	Variation
IVD product sales	188.5	58.9	+220%
Other revenues	0.7	0.6	+17%
<b>Total revenues</b>	<b>189.2</b>	<b>59.5</b>	<b>+218%</b>
Cost of goods sold	(78.5)	(39.5)	+98.7%
<b>Gross margin</b>	<b>110.7</b>	<b>20.0</b>	<b>x5.5</b>
R&D expenses	(2.2)	(1.6)	+37.5%
Marketing and sales expenses	(18.2)	(10.9)	+67.0%
G&A expenses	(6.2)	(4.0)	+55.0%
<b>EBITDA</b>	<b>88.2</b>	<b>7.0</b>	<b>x12.6</b>
<b>Operating result</b>	<b>84.0</b>	<b>3.4</b>	<b>x24.7</b>
Financial result	(0.4)	0.1	-
Extraordinary result	-	(0.5)	-
Goodwill amortization	(2.8)	(2.8)	-
Taxes	(7.4)	3.0	-
<b>Net result</b>	<b>73.5</b>	<b>3.2</b>	<b>x23.0</b>
<b>Cash</b>	<b>65.6</b>	<b>7.6</b>	
<b>Financial debt excluding leasing</b>	<b>24.9</b>	<b>15.1</b>	
<b>Shareholders equity</b>	<b>107.1</b>	<b>35.2</b>	

<sup>1</sup> 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.

## Exceptional level of activity in 2020

Eurobio Scientific established itself in 2020 as a leader in medical diagnostics in France and took a central role in screening for the SARS-Cov-2 coronavirus, very early on. The company has thus set up, in record time, one of the most complete catalog of products on the market, including PCR, antigen and serological tests. The R&D team was mobilized to complete the range of partner tests with proprietary tests under the EurobioPlex (EBX) brand, in order to increase the available offer in an extremely tight and globalized market. 2020 revenues from COVID-19 diagnostic tests and instruments amounted to € 117 million.

At the same time, despite the organizational constraints linked to confinements and the strong increase in activity on COVID products, traditional activities continued to grow, with a 2020 turnover of € 71.5 million, up 21% compared to 2019. On a like-for-like basis<sup>2</sup>, sales excluding COVID showed organic growth of 11%.

## Historic 2020 results

The strong growth of revenues, at + 220%, was supplemented by an increase in the gross margin rate, mainly due to an increased share of proprietary products in the sales of COVID products. Gross margin thus reached € 110.7 million, 5.5 times higher than the previous year.

At the same time, expenses increased significantly less than turnover, illustrating the capacity for growth and adaptation of the Group's organization. The largest increase was in marketing and selling expenses, up 67% at € 18.2 million and general and administrative expenses (+55.3% at € 6.2 million) which also include expenses related to newly acquired subsidiaries. R&D expenses also increased (+ 37.5% at € 2.2 million) reflecting the efforts made to quickly bring new proprietary diagnostic tests to the market. Also, taking into account the arrival of the TECOmedical team (17 people), the average workforce has thus increased from 122 in 2019 to 151 in 2020.

As a result, results are showing a very strong growth, with an EBITDA of € 88.2 million (x12.6 compared to 2019) and an operating income of € 84.0 million (x24.7).

The financial result remained close (-0.35 vs +0.1 in 2019). It includes capital gains on transferable securities, a lower interest charge compared to last year and a slight exchange loss on the valuation of assets in dollars, the euro having risen sharply during the year.

The amount of corporate income tax includes current tax (€ 5.9 million) and the deferred tax adjustment (€ 1.5 million) largely used given the level of 2020 results.

After taking into account € 2.8 million in goodwill amortization, 2020 net income stands at € 73.5 million, or 23 times 2019 net income.

## Significantly increased financial resources

As at December 31, 2020, the total amount of cash or cash equivalents was € 65.6 million and shareholders' equity was € 107.1 million. The financial debt is € 24.9 million, made up of bank loans for € 22.1 million (including € 7.6 M from a medium term loan corresponding to refinancing operations carried out in Q1 2020 and € 10 M of French Government guaranteed loan which will be fully reimbursed by mid-May 2021) and € 2.8 million in residual, non-dilutive bond issues (following the mezzanine loan repurchase transaction).

As a result, Eurobio Scientific has now considerably strengthened its financial resources, which the company will use to implement its development strategy. No dividend will be distributed for the year 2020.

<sup>2</sup> Excluding first-half 2020 sales of Pathway diagnostics, acquired in July 2019, and TECOmedical, acquired in July 2020.

## Perspectives: a new dimension

Beyond financial performance, the exceptional level of activity in 2020 has given Eurobio Scientific a new dimension.

The Group gained visibility with its customers, hospital and private biology laboratories, and demonstrated its ability to respond to emergency needs on a national scale under extreme conditions. Its presence with large customers is also reinforced by the doubling of the instrument park in 2020: made necessary by the health crisis, the expansion of the park has a positive effect on all ranges of reagents, COVID and non-COVID, sold by the Group.

Eurobio Scientific also has an increasingly important international activity, under the combined effect of the new markets conquered in the COVID context and the development of recently acquired subsidiaries, for which commercial synergies are just starting to be activated.

Finally, the R&D team has shown its ability to respond quickly to market needs, at the same time increasing the share of proprietary products.

The Group intends to continue in this direction and, on the strength of its new resources, has thus decided to accelerate its strategy of increasing the share of its proprietary products in its sales mix. This continuity of orientation, made possible by the new available financial resources, goes through several axes:

- Gradual withdrawal from low-margin distribution activities, in order to focus activity and resources on more profitable products;
- Withdrawal from certain distribution activities blocking the company's ability to develop its proprietary product lines;
- Continuation of other distribution activities to maintain the richness and innovation of the catalog of solutions and products offered to customers, public and private laboratories;
- Strengthening of the R&D capacity with the aim of continuing to innovate, in priority on molecular biology products but also on the Dendritics antibody range, without forgetting the pursuit of targeted historical therapeutic programs, such as the DYRK project in partnership with US biotech Felicitex;
- Maintaining external growth targeting proprietary products or extension of international presence.

The year 2021 began in this new context, in particular with the recruitment at the beginning of February of a new R&D Director, specialist in the development of diagnostic tests in molecular biology, who joined Eurobio Scientific after several years spent in the hospitals to develop real-time PCR kits. The R&D team is also further strengthened with the arrival of 4 new researchers recruited in April 2021, including 2 doctors and 2 engineers, all specializing in molecular biology.

For traditional activities (transplantation, infectious diseases excluding COVID, research), the company has initiated the implementation of its strategy. Discussions have already been started with certain suppliers currently distributed. Thus, in the context of transplantation, Eurobio Scientific, at the end of the exclusive distribution contract with Thermo-Fischer / One-Lambda which was recently renewed for 18 months, will gradually withdraw from this activity, over several years, as related public tenders owned by the Company end. Similar discussions have been initiated with other suppliers to allow the development of new proprietary products. At the same time, the company continues to strengthen its global product offering with the signing of new exclusive partnerships such as the one with the HOB Chinese company, for the marketing of tests in immunology, autoimmune diseases, and allergology, indications in which the company currently has a limited offer.

In the first months of this year, sales of Covid-19 related PCR tests remained at a good level and should still represent a significant share of turnover depending on the evolution of the epidemic, in particular through new products made available to the market.

Eurobio Scientific has thus developed and obtained the CE marking of the first French PCR test allowing the qualification of the current variants of SARS-CoV-2.

In parallel, and with the desire to expand its markets, the company has launched its own rapid test for the antigenic detection of Covid-19, and is working to obtain the necessary registrations for the commercialization of its proprietary rapid self-test.

Finally, instrument installations are continuing at the same pace in order to meet the needs of laboratories, and allow the deployment of a mixed offer of proprietary and distribution products.

During an exceptional year 2020, Eurobio Scientific secured the means to accelerate its transformation, thanks, among other things, to the strong growth of its cash balance which continued during the first quarter of 2021. The company will thus be able to strengthen its proprietary offer, mainly in molecular biology, and implement increased selectivity of distribution partners. This strategy, combined with targeted acquisitions, should enable the Group to expand its international presence, particularly in Europe where it is already operating in several key countries.

## Next financial meeting

Annual shareholders meeting: June: 17, 2021

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### Disclaimer

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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 has approximately 164 employees and three production units based in the Paris region, in Germany and in the United States, and several affiliates based in Dorking UK, Sissach Switzerland, Bünde Germany and Utrecht in The Netherlands.

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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