



First connected, all-in-one diabetes management system

Press release

Cellnovo announces its Full Year 2017 Results and Q1 2018 Sales and Provides a Business Update

*Optimisation plan in line with ramp-up to large-scale manufacturing this quarter
High level of satisfaction reported among first users of Cellnovo System with Android™
Solid cash position*

Paris, France, April 11, 2018 – Cellnovo Group (“**Cellnovo**” or the “**Company**” -- CLNV: EN Paris), a medical technology company marketing the first mobile, connected, all-in-one diabetes management system, today announces its full year results for the financial year ended on December 31, 2017, and its first-quarter 2018 sales.

Sophie Baratte, Chief Executive Officer of Cellnovo, commented: *“We are approaching a major turning point for the Company with the optimisation process moving forward as planned toward the large-scale manufacturing of insulin cartridges with our partner Flex. The demand for our innovative diabetes management system remains strong despite delays in the industrialisation process. While our limited production capacity has restricted sales, we are now on track to meet the market demand.*

The high level of satisfaction reported among the first users of our next generation system, the Cellnovo System with Android™, launched this year, reinforces the Cellnovo System’s unique value proposition as the first and only e-connected micro-pump providing real time data to patients and clinicians. The demonstrated usability of the system, combined with technological standards that enable greater interoperability with other connected devices, allows Cellnovo to propose a platform increasingly adapted to future artificial pancreas and automated insulin delivery (AID) products. Cellnovo has thus taken the decision to update its 510(k) filing this fall, which extends the original timeline, but more importantly, enables the Company to offer its newest and best product to the US market.

Finally, we have reinforced our financial resources last summer. Our solid cash position will allow us to continue making strides forward on the production and business development front and in the artificial pancreas programs in which our pump is used.

We are confident about our short- to medium-term growth prospects and look forward to 2018 as a year of significant transformation for Cellnovo.”

Business update and outlook

Manufacturing of Insulin Cartridges: Optimisation plan in line with ramp-up to large-scale manufacturing in Q2

In August 2017, Flex and Cellnovo began an optimisation process to support the large-scale production of insulin cartridges. A comprehensive review of bespoke tooling and assembly processes has been completed and all necessary adjustments have been made to ensure the robustness of the ramp-up to large-scale production. This optimisation plan took place, as planned, in Q1 and will now be followed by a phase of requisite checks prior to industrialisation, which remains on track for this quarter, at which point Cellnovo will be able to produce to market demand and meet the Company’s sales requirements.



First connected, all-in-one diabetes management system

Cellnovo System with Android™: High level of satisfaction reported among first users

In December 2017, Cellnovo announced the CE marking of the industry's first Bluetooth® and Android™-enabled micro-pump for insulin delivery. The launch of this new system, the Cellnovo System with Android™, in January 2018, has generated positive feedback from its users. The high level of satisfaction demonstrates the improved user experience with the technological innovation. The increased usability of the system, combined with technological standards that enable greater interoperability with other connected devices, allows Cellnovo to propose a platform increasingly adapted to future artificial pancreas and automated insulin delivery (AID) products.

TypeZero Artificial Pancreas (Closed-Loop system): Successful completion of integration phase, preparation for first clinical trials

In April 2017, Cellnovo announced the acquisition of a worldwide commercial license for the integration and commercialisation of TypeZero Technologies' Artificial Pancreas (AP) technology with Cellnovo's mobile diabetes management system.

The integration phase by TypeZero was completed in Q1 2018 and prototypes are now being prepared for the first in-human 3-day clinical trial, planned for June 2018. The subsequent step will be preparation for a CE marking filing.

Update on 510(k) filing with US Authorities

After a meeting with the FDA, which took place in Q1 2018, Cellnovo has updated its regulatory pathway and is now updating a 510(k) filing for the fall of 2018. This updated filing will enable the Company to offer the newest generation of its product, the Cellnovo System with Android™, to American users.

Financials

In thousands of euros - IFRS	Financial year to December 31, 2017	Financial year to December 31, 2016
Operating revenue		
Sales	1,062	1,419
Operating expenses		
Cost of production	(7,686)	(6,647)
Research and development	(3,043)	(2,366)
Sales and marketing	(2,707)	(2,545)
General and administrative	(5,865)	(4,476)
Total operating expenses	(19,301)	(16,034)
Other operating income/(expenses)	-	2
Operating profit/(loss)	(18,239)	(14,614)
Financial result	(927)	(559)
Income tax	1,413	625
Net profit/(loss)	(17,753)	(14,549)

At its meeting on April 11, 2018, the Board of Directors approved the financial statements of Cellnovo Group for the financial year ended December 31, 2017. The consolidated and parent company financial statements have been audited. The Statutory Auditors' reports are currently being finalised.



First connected, all-in-one diabetes management system

Full-year sales

As announced in January, full-year 2017 sales came to €1.1 million, down -25.2% compared to the previous financial year. The total number of systems shipped since the launch of Cellnovo's diabetes management system was 832 at December 31, 2017.

Higher operating expenses ahead of large-scale commercialisation

Operating expenses came to €19.3 million, up from €16.0 million in FY 2016.

Production costs rose 15.6% to €7.7 million, up from €6.6 million in FY 2016. This increase reflects an acceleration of investments related to the transfer of production to Flex and to cartridge production costs in Wales.

Research and development expenses came to €3.0 million, a 28.6% increase from the previous year. The increase reflects the Company's intensified efforts to deliver the next-generation system, the Cellnovo System with Android™.

Sales and marketing expenses totalled €2.7 million in FY 2017 compared with €2.5 million in FY 2016. The increase reflects the preparations for the large-scale commercialisation of Cellnovo's System.

General and administrative expenses came to €5.9 million in FY 2017, compared with €4.5 million in FY 2016. Almost half of this difference can be attributed to the cost of share-based compensation distributed in previous years, with no cash impact.

Cellnovo posted a FY 2017 net loss of €17.8 million, compared with a loss of €14.6 million in FY 2016.

At December 31, 2017, Cellnovo held €13.0 million in cash. This figure does not include any proceeds of the €20 million loan agreement with the European Investment Bank in July 2017.

Cellnovo counted 109 employees at December 31, 2017 (vs. 110 employees at December 31, 2016).

First-quarter 2018 sales

<i>In K euros</i>	Quarter	
	Q1 2018	Q1 2017
Sales	407.7	185.6

In the first quarter of 2018, Cellnovo's sales totalled €408 thousand, which represents a growth of 119.7% compared with the first quarter of 2017. The number of new systems sold by Cellnovo during the quarter powered this sales growth.

In the first quarter, Cellnovo delivered 84 new systems, increasing the total number shipped since launch to 916.

At March 31, 2018, Cellnovo had €9.5 million in cash. The Company has not yet drawn down any amounts under the European Investment Bank loan facility.



About Cellnovo (Euronext: CLNV)

An independent medical technology company specialising in diabetes, Cellnovo has developed and markets the first mobile, connected, all-in-one diabetes management system that helps make life easier for patients. Compact, intuitive and entirely connected, Cellnovo's insulin pump comprises a mobile touchscreen controller with an integrated blood-glucose meter. This unique device allows optimal management of insulin injections whilst ensuring extensive freedom of movement and peace of mind for patients. Thanks to the automatic transmission of data, it also allows the patient's condition to be continually monitored by family members and healthcare professionals in real time. Cellnovo is currently participating in several major Artificial Pancreas projects with Diabeloop, TypeZero and Horizon 2020 to develop automated insulin delivery systems.

For more information go to www.cellnovo.com

About the Cellnovo Diabetes Management System

Compact, intuitive and entirely connected, Cellnovo's insulin pump comprises a mobile touchscreen controller with a blood-glucose meter. This unique device allows optimal management of insulin injections whilst ensuring extensive freedom of movement and peace of mind for patients. Thanks to the automatic transmission of data, it also allows the patient's condition to be continually monitored by family members and healthcare professionals in real time.

Cellnovo is listed on Euronext,
Compartment C
ISIN: FR0012633360 – Ticker:
CLNV)



Cellnovo

Chief Executive Officer
Sophie Baratte
investors@cellnovo.com

NewCap

Investor Relations
Tristan Roquet Montégon
+ 33 1 44 71 00 16
cellnovo@newcap.eu

NewCap

Media Relations in France
Nicolas Merigeau
+ 33 1 44 71 94 98
cellnovo@newcap.eu