

Cellnovo announces its Full Year 2015 Results and Q1 2016 Sales

- Solid sales growth in Q1 2016 up 26% versus Q4 2015
- Sound cash position of €26.5 million as of December 31, 2015

Paris, France, April 27, 2016 – Cellnovo Group (“Cellnovo” CLNV:EN Paris), a medical technology company marketing the first mobile, connected all-in-one diabetes management system, today announced its full-year results for the financial year ended December 31, 2015, and its Q1 2016 sales.

Sophie Baratte, Chief Executive Officer of Cellnovo, commented: “2015 has been a pivotal year for Cellnovo. Since undertaking our initial public offering on Euronext last July, we have achieved a number of key commercial milestones for our unique all-in-one diabetes management system.

“First, the high-volume manufacturing agreement which was signed with Flex will accelerate the industrialisation process of our product’s insulin cartridges and will enable us to meet the high demand for the device by unlocking our production capacity. Secondly, by increasing sales volumes in France and in the UK, as well as signing a key distribution agreement with Air Liquide, we have taken important steps towards full launch and broadening the availability of the system in Europe.

“Finally, we have strengthened our senior management team, ensuring that we have the right personnel to help us achieve our ambitions, including the ongoing roll out of our new handset newly integrating Roche’s market leading blood glucose monitor. Looking forward I believe that, having shown our ability to deliver on our most critical milestones, we are in a good position to further deliver strong commercial progress.”

In K€ – IFRS	2015 (Year to Dec. 31, 2015)	2014 (Year to Dec. 31, 2014)
Operating revenue		
Sales	609	125
Operating expenses		
o/w Cost of Production	(5,845)	(1,563)
o/w Research and Development	(3,244)	(1,738)
o/w Sales & Marketing	(1,557)	(1,486)
o/w General & Administrative	(5,135)	(2,229)
Total operating expenses	(15,781)	(7,017)
Other operating income and expenses	551	5
Operating profit/(loss)	(14,622)	(6,887)
Financial result	(969)	(179)
Income tax	1126	389
Net profit/(loss)	(14,464)	(6,678)

The Board of Directors of Cellnovo Group convened on April 26, 2016 to review and authorize the issue of the accounts of Cellnovo Group for the year ended December 31, 2015. Audit procedures on the consolidated and statutory financial statements have been completed. The auditors are in the process of issuing their reports



The First Connected All-in-one Diabetes Management System

Full-year sales

As previously reported, Cellnovo's full year 2015 sales totaled €608,125, an almost five-fold increase over 2014. This positive figure is the result of strong growth in France, and the contribution of initial sales of the Cellnovo Diabetes Management System in the UK.

Increase of operating expenses to accelerate growth

Cellnovo's cost of production includes both the cost of goods sold and the Company's significant efforts in developing and refining the manufacturing processes necessary to bring production of Cellnovo's product to an industrial scale. This includes work undertaken by Cellnovo to enable the movement of its Wales-based production to the Austrian mass production site operated by Flex (Flextronics) in 2016. Costs also include the necessary spend to fuel further productivity gains at the Company's current manufacturing workshop in Wales, to enable sales growth prior to achieving mass production by Flex.

In pursuing its innovation efforts, the Company also made important progress in research and development, increasing its R&D spend on a year-on-year basis. In 2015, R&D expenses were allocated amongst four key categories:

1. Completion of a new handset in Q4 2015, launched in Q1 2016. The new handset features renewed electronics, which offers greater responsiveness and ease of use for patients and integrates Roche's leading blood glucose monitor (BGM);
2. Continuing R&D efforts to finalise our next generation system with a bluetooth low energy micro-pump in an Android software environment;
3. Filling costs of the 510k submission, in order to enter the US market; and
4. Investment in artificial pancreas research programs.

2015 expenses in Sales & Marketing (S&M) amounted to €1,557k vs. €1,486k in 2014, up +5%. Further Investment in Sales & Marketing will occur when insulin cartridge production becomes un-constrained, thanks to the transfer of production to Flex.

Finally, administrative and overhead costs were of €5,135k in 2015, growing by +130% compared to the previous year. This increase in expenses has been notably driven by costs incurred due to the Company's IPO on Euronext in July 2015 for the portion which was not deducted from the share premium, as well as from the cost related to being a public company.

The net result delivered over 2015 was of €-14,464k vs. €-6,678k in 2014. 2015 figures comprise €1,940k of non-cash stock-based compensation expenses.

Over the year, Cellnovo's operational and investment cash burn was of €16.1m (vs. €7.4m in 2014), resulting in a cash position of €26.5m by the end of 2015.

Cellnovo's headcount amounted to 82 employees at 31 December 2015 (vs. 73 employees end-December 2014).

Note regarding use of non-IFRS financial information

Cellnovo S.A. provides non-IFRS net income and non-IFRS net income per share figures that include adjustments to figures presented in accordance with IFRS. IFRS net income is adjusted to exclude non-cash stock-based compensation expenses. Cellnovo believes that these non-IFRS financial measures, when considered together with the IFRS figures, can enhance an overall understanding of Cellnovo's financial performance. Please refer hereafter to the reconciliation of these non-IFRS financial figures to the comparable IFRS financial measures.

Reconciliation of IFRS to NON-IFRS net income

Euros in thousands	12 month period ended December, 31 2015	12 month period ended December, 31 2014
Net Loss - IFRS	(14,464,246)	(6,677,620)
<i>Adjustments:</i>		
Non-cash stock-based compensation expenses	1,940,002	-
Net Loss - non IFRS	(12,524,244)	(6,677,620)
Adjusted loss per share – non-IFRS	(2.12)	(0.03)
Weighted average number of outstanding shares	5,895,533	199,907,493

Significant growth of Q1 2016 revenues

In Euros	Quarterly – 3 months	
	Q1 2016	Q1 2015
Sales	435,209	84,723

Over the first quarter of 2016, Cellnovo booked sales of €435k, a more than five-fold increase compared to the first quarter of 2015 and an increase of +26% compared to the fourth quarter of 2015.

The new launch in Italy where 10 new systems have been sold also contributed to these encouraging figures.

Over the fourth quarter, Cellnovo shipped 145 new systems, amounting to a total of 369 since launch.

2015 and Q1 2016: Significant commercialisation breakthroughs and highlights

Commercial Expansion

- June 2015: Master agreement for distribution in several European countries with Air Liquide Healthcare
- January 2016: First sales in The Netherlands
- February 2016: Completion of the full registration process required by the Italian Ministry of Health for medical devices

Industrialization

- February 2016: Cellnovo reaches first insulin cartridge industrialisation milestone

Finance

- July 2015: Success of Cellnovo's IPO with €31.6 million raised on Euronext in Paris

Scientific Partnerships

- February 2016: Cellnovo Partners with US company TypeZero on an Artificial Pancreas programme
- March 2016: Cellnovo and Roche sign commercial Blood Glucose Monitor agreement

Other

- December 2015: Cellnovo's diabetes management system featured in NHS Alliance programme 'Communities of Care'

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In the coming months, Cellnovo will participate in the following investor events:

- Healthcare Forum – Société Générale, June 28, Paris

About Cellnovo

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, tubeless, 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.

For further information please visit www.cellnovo.com

About the Cellnovo Diabetes Management System

Compact, tubeless, 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 with drop-by-drop precision, 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.

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