Quantum Genomics Reports First Half 2019 Financial Results and Provides Corporate Update

- **Arterial hypertension**: preparing for the pivotal Phase III study of firibastat in patients with resistant arterial hypertension

- **Heart failure**: the first patients were enrolled in June in QUORUM, a Phase IIb study of firibastat in heart failure

Quantum Genomics (Euronext Growth - FR0011648971 - ALQGC, OTCQX - QNNTF), a biopharmaceutical company specializing in developing a new drug class that directly targets the brain to treat resistant arterial hypertension and heart failure, has released its half-year 2019 financial results that were approved by the Board of Directors on October 2, 2019. The half-year financial report, including the financial statements for the period ending June 30, 2019, associated notes and external auditor’s report are available on the company’s website: www.quantum-genomics.com.

Jean-Philippe Milon, Chief Executive Officer of Quantum Genomics, said: "Throughout the first half of 2019, we continued to execute upon our BAPAI Fast Growth strategic plan. We continue to make progress in our lead indication and are preparing to initiate our pivotal Phase III study of firibastat in arterial hypertension by the end of the year. Regarding the clinical development of firibastat in heart failure, we have recruited the first patients for the Phase IIb study QUORUM. Finally, we have improved upon the formulation of firibastat and have identified a new extended-release tablet allowing for a single daily dose while providing optimal pharmacokinetics, an important marker for patient adherence to treatment."

Jean-Philippe continued: “At the same time, we are at an advanced stage of discussion with various pharmaceutical laboratories to negotiate either a global partnership or several regional licenses. We plan to keep options open to allow us to choose the best solution both for our shareholders and for patients to whom the potential availability of a new treatment provides great hope.”

**An overall internal financing capacity of €17.4 million as of June 30, 2019**

The financial statements for the first half of 2019 reflect operating results of -€5.3 million, compared to -€6.8 million one year earlier due to decreased expenses relating to the end of the NEW-HOPE Phase IIb trial.

After accounting for a research tax credit of €0.9 million, net income was -€4.1 million, compared to -€6.2 million for the previous year.

Free cash flow (net cash flow relating to business operations) was -€6.4 million for the period.

At the end of June 2019, shareholders’ equity equaled €11.1 million, with an additional €1.0 million of other equity (conditional advances from Bpifrance).

Cash position was €11.6 million, compared to €14.8 million as of December 31, 2018.

As of June 30, 2019, the remaining part of the line of funding agreed upon in March 2018 with Kepler Cheuvreux was at €5.8 million, bringing the overall internal funding capacity to €17.4 million.

The company has no financial debts and has the funds necessary to meet its obligations for the next 12 months.
Summary of financial elements as of June 30, 2019

<table>
<thead>
<tr>
<th>Key figures in €K (French standards)</th>
<th>6/30/2019</th>
<th>6/30/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>284.8</td>
<td>65.8</td>
</tr>
<tr>
<td><strong>Staff costs</strong></td>
<td>(1,576.1)</td>
<td>(1,207.1)</td>
</tr>
<tr>
<td><strong>Other operating costs</strong></td>
<td>(4,032.8)</td>
<td>(5,668.8)</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>(5,324.1)</td>
<td>(6,810.1)</td>
</tr>
<tr>
<td>Financial earnings</td>
<td>5.9</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Pre-tax operating earnings</td>
<td>(5,318.2)</td>
<td>(6,810.3)</td>
</tr>
<tr>
<td>Extraordinary earnings</td>
<td>303.9</td>
<td>(60.9)</td>
</tr>
<tr>
<td>Research tax credit</td>
<td>885.7</td>
<td>663.1</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>(4,128.5)</td>
<td>(6,208.1)</td>
</tr>
</tbody>
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Continuing research programs

**In the field of arterial hypertension**, Quantum Genomics is preparing to initiate pivotal Phase III studies of firibastat, the final step before potentially gaining approval from the U.S. Food and Drug Administration (FDA) to begin the process of commercialization. In early September, the company received positive feedback from the FDA regarding the Phase III design and development plan for firibastat in patients with resistant arterial hypertension.

**In the field of heart failure**, Quantum Genomics recruited in June the first patients for the QUORUM Phase IIb trial assessing the efficacy and tolerability of firibastat compared to ramipril\(^1\) in patients after acute myocardial infarction. The study, which has an estimated overall cost of €8 million, will be conducted in approximately 40 clinical centers in Europe and the United States with results expected in the second half of 2020.

At the same time, Quantum Genomics is conducting a study of firibastat’s potential to safely treat arterial hypertension (in particular, treatment-resistant hypertension) and heart failure in patients with associated renal failure. Positive results from this study could support the use of firibastat in patients with associated renal failure, thereby providing another asset in treating patients with high blood pressure or heart failure and allowing for considerable expansion of the firibastat market.

About Quantum Genomics

Quantum Genomics is a biopharmaceutical company specializing in the development of a new class of cardiovascular medications based on brain aminopeptidase A inhibition (BAPAI). Quantum Genomics is the only company in the world exploring this innovative approach that directly targets the brain. The company relies on 20 years of academic research from the Paris-Descartes University and the laboratory directed by Dr. Catherine Llorens-Cortes at the Collège de France (French National Institute of Health and Medical Research (INSERM)/ the Scientific Centre for National Research (CNRS)). The goal of Quantum Genomics is to develop innovative treatments for complicated, or even resistant, cases of hypertension (around 30% of patients have poor control of their condition or receive ineffective treatment) and for heart failure (one in two patients diagnosed with severe heart failure dies within five years).

Based in Paris and New York, Quantum Genomics is listed on the Euronext Growth exchange in Paris (FR0011648971- ALQGC) and trades on the OTCQX Best Market in the United States (symbol: QNNTF).

For more information, please visit [www.quantum-genomics.com](http://www.quantum-genomics.com), or follow us on [Twitter](https://twitter.com) and [LinkedIn](https://www.linkedin.com).

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\(^1\) Ramipril is an angiotensin converting enzyme (ACE) inhibitor and the standard treatment for heart failure, including in patients who develop heart failure after an acute myocardial infarction.
Contact information

**Quantum Genomics**

Jean-Philippe Milon  
CEO  
+33 (0)1 85 34 77 70 | jean-philippe.milon@quantum-genomics.com  
Marc Karako  
CFO - Investor Relations  
+33 (0)1 85 34 77 70 | marc.karako@quantum-genomics.com

**So Bang (Europe)**

Nathalie Boumendil  
Financial Communications  
+33 (0)6 85 82 41 95 | nathalie@so-bang.fr  
Samuel Beaupain  
Media Relations and Scientific Communications  
+33 (0)6 88 48 48 02 | samuel@so-bang.fr

**LifeSci (USA)**

Dan Ferry  
Financial Communications  
+1 (617) 535-7746 | Daniel@lifesciadvisors.com  
Michael Tattory  
Media Relations and Scientific Communications  
+1 (646) 751-4362 | mtattory@lifescipublicrelations.com