

PRESS RELEASE

Diaxonhit reports 2013 results

**2013 successful transformation into
a specialty *in vitro* diagnostics company**

2013 successful transformation into a specialty *in vitro* diagnostics company

- Strong and dynamic commercial activity;
- 5 new distribution agreements signed;
- Successful integration of InGen BioSciences (" IBS ");
- Reorganization of R& D with focus on *in vitro* diagnostic

FY 2013: encouraging financial results

- 11% increase in sales of *in vitro* diagnostic products;
- Non-recurring items related to IBS integration;
- Operating income declined slightly to €6.8 million, but improved 16% excluding amortization related to IBS acquisition;
- Net income of -€6.0 million dropped slightly, but improved 23% excluding amortizations related to IBS acquisition;

Outlook 2014, a focused and well aligned group

- Commercial launch of AlloMap;
- CE Marking of BJI InoPlex, last step before commercialization;
- Initiation of DX15 validation study;
- New distribution and licensing agreements.

Paris, France – March 26, 2014 – The Management Board of Diaxonhit (NYSE Alternext: ALEHT), the leading French provider of specialty *in vitro* diagnostic solutions, met on March 25, 2014 to close the consolidated financial accounts for the year ending on December 31, 2013. These accounts were verified by the Supervisory Board¹.

Commenting on these results, Loïc Maurel, MD, President of the Management Board of Diaxonhit, said: *“First of all, I would like to highlight the 11% growth in sales and 16% improvement in operating profit excluding amortization related to the acquisition of InGen BioSciences. This performance demonstrates the successful integration of this company during the first year after its acquisition. By becoming a pure player in diagnostics, we are now well aligned to achieve the goals we have set, to reach financial breakeven and to become a specialty in vitro diagnostics leader in Europe.”*

2013 ACCOUNTS: THE YEAR OF INGEN BIOSCIENCES INTEGRATION

<i>In €M</i>	2013 <i>consolidated</i>	2012 ⁽¹⁾ <i>consolidated</i>	2012 ⁽²⁾ <i>pro forma</i>
Consolidated revenues	31,2	5,4	28,6
Cost of goods sold	(16,2)	(0,4)	(14,2)
R&D expenses	(7,3)	(7,0)	(8,0)
Marketing and sales expenses ⁽³⁾	(7,9)	(0,9)	(7,7)
G&A expenses	(6,5)	(3,5)	(6,1)
Operating result	(6,8)	(6,5)	(7,3)
Net result	(6,0)	(5,8)	(6,2)
Amortization of goodwill	(0,3)	(0,1)	(0,3)
Amortization of IBS purchase price allocation	(1,3)	0	(1,3)
Net result excluding amortizations related to IBS acquisition	(4,4)	(5,7)	(4,6)
Consolidated cash and cash equivalent at Dec. 31	5,7	9,8	

(1) including InGen BioSciences accounts consolidated from December 14, 2012 on

(2) *Pro forma*: financial statements restated to reflect the acquisition of IBS as if it had occurred on January 1, 2012

(3) including amortization of revalued intangible assets related to IBS purchase price allocation for €1,340K in 2013

In vitro diagnostic products sales growth: 11 %

Consolidated revenues as at December 31, 2013 amounted to €31.2 million against €5.4 million in 2012. On a *pro forma* basis this represents a 9% increase, reflecting strong *in vitro* diagnostic products sales which totaled €26.3 million, up 11% compared to 2012 (€23.8 million). As previously announced, this growth reflects Diaxonhit's strength in transplantation with a 15% increase in sales of HLA tests, and the development of the quality control market in which sales increased by over 14% compared to 2012.

In a globally stable *in vitro* diagnostic market, this performance confirms both the choice of specialty diagnostics, and the level of innovation provided by new products.

Operating result improving by 16 % excluding amortization related to the acquisition of IBS

IBS consolidation into Diaxonhit's perimeter significantly changed the structure of the Group's operating expenses.

Upon acquisition of IBS on December 14, 2012, Diaxonhit recorded a goodwill of € 16.9 million in its accounts. During fiscal 2013, the purchase price at the date of acquisition was reallocated among several assets ("PPA"), marketing and sales assets for € 12.9 million and R&D assets for € 979 K. Accordingly, goodwill was reduced to € 3.1 million.

Marketing and sales assets are amortized over 10 years. Accordingly, an amortization expense of € 1.3 million was added to marketing and sales expenses at December 31, 2013. R&D assets will also be amortized over 10 years when the developed products will be marketed. The remaining goodwill is also being amortized over 10 years, which led to a € 0.3 million amortization expenses deducted from operating profit at December 31, 2013.

In this context:

- The cost of goods sold amounted to €16.2 million, corresponding to *in vitro* diagnostic product sales;
- Research and development expenses remained under control, with a reduction to €7.3 million from €8.0 million in 2012 pro forma;
- Marketing and sales expenses amounted to € 7.9 million, including amortization of intangible assets for € 1.3 million. These expenses increased compared to 2012 pro forma, reflecting the increase in commercial activity;
- General and administrative expenses increased slightly compared to 2012 pro forma. They include non-recurring costs related to the integration of IBS and the purchase of the AlloMap license.

Total operating income declined slightly to -€6.8 million. However, excluding amortization related to the IBS acquisition, it improved by 16%.

Taking into account amortization of the remaining goodwill related to the IBS acquisition and the research tax credit for an amount of €1.1 million, net income amounted to -€6.0 million, a limited decline compared to 2012. However, excluding amortization related to the IBS acquisition, it improved by 23%.

Financial situation

The Group's balance sheet is characterized by €19.6 million in equity, a financial debt of €1.9 million and a cash position at € 5.7 million.

During fiscal 2013, changes in the Group's cash position included the following:

- Funding received for a net total of €1.8 million, mainly from capital increases related to PACEO and TEPA financings;
- Consumption of cash by operations for a total of €4.9 million;
- A slight increase in working capital requirements, mainly due to the increase in commercial business during the year.

The Group has cash and access to sufficient funding to continue its development beyond the next twelve months.

A WELL ALIGNED SPECIALTY *IN VITRO* DIAGNOSTIC GROUP

The termination of therapeutic activities resulting from the end of the Allergan collaboration positions Diaxonhit as a specialty diagnostics pure player in three areas: transplantation, cancer and infectious diseases.

R&D activities focused on development of diagnostic tests

The Group has now fully dedicated its R&D activities for the development of diagnostic tests,

leveraging its expertise in genomics, with its patented GWSA technology, and proteomics.

Today, two proprietary products are in development:

- BJI InoPlex, the first proteomic test able to detect joint prostheses infections with a simple blood sample. As already announced, its validation study should be completed in H2 2014 with CE marking anticipated at the end of the year and followed by commercialization;
- DX15, a molecular test to identify whether a thyroid nodule is benign or malignant. An efficient test signature was recently identified to meet a high medical need in thyroid cancer; in France, more than 7,000 unnecessary thyroid ablations are performed each year, despite the nodule being benign. This signature will be confirmed by a validation study, with CE marking and market launch expected in 2016.

A three-pronged commercial strategy: launch of proprietary products, development of distribution, and licensing-in

The main pillar of Diaxonhit's strategy is to remain innovative through the development of proprietary products with the aim to accelerate revenue growth, and improving gross margin and profitability.

Our goal is to expand our distribution business by signing new contracts such as the agreements with Tosoh and Samsung announced in recent months.

With our reference position in the field of transplantation with over 70% market share in France, the Group acquired an exclusive license for commercialization in Europe of AlloMap, a molecular test for monitoring rejection in heart transplant patients, which is scheduled for launch in 2014.

OUTLOOK 2014

2014 should be a dynamic year for the Group with the following objectives:

- Sales growth, particularly in quality control;
- Market launch of AlloMap;
- End of BJI InoPlex clinical validation study, CE marking and market launch;
- Initiation of DX15 validation study in thyroid cancer;
- Signature of new distribution agreements.

(1) All financial statements were audited by the auditors and their report will be issued after review of the 2012 management report.

2014 Financial Calendar

Meeting with institutional investors and analysts: March 26, 2014

Shareholders Annual General Meeting: June 19, 2014

H1 2014 revenues: July 2014

H1 2014 accounts: September 2014

About Diaxonhit

Diaxonhit (NYSE Alternext, FR0004054427, ALEHT) is a French fully integrated leader in the *in vitro* diagnostic field, involved from research to commercialization of specialty diagnostic products.

With many partnerships and a strong presence in hospitals, Diaxonhit has an extensive commercialization network. Through its affiliate, InGen, it commercializes and services, mostly under exclusivity agreements, *in vitro* diagnostic kits and advanced equipment. It operates mainly in the fields of transplantation, infectious diseases and autoimmunity, product quality control and rapid tests, including Tetanus Quick Stick ®, a proprietary product. InGen is the leading supplier in France of HLA tests manufactured by Thermo-Fisher/One Lambda, of which it is the largest distributor worldwide.

The group also owns a diversified portfolio of products in development, including both innovative molecular and non-molecular diagnostics, covering three main specialty areas: transplantation, immuno-infection and cancer.

Diaxonhit headquarters are located in Paris and its affiliate in the Paris region. The Group is listed on NYSE Alternext in Paris and is part of the NYSE Alternext OSEO innovation index.

For more information, please visit: <http://www.diaxonhit.com>

Disclaimer

This press release contains elements that are not historical facts including, without limitation, certain statements about future expectations and other forward-looking statements. Such statements are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those anticipated.

In addition, Diaxonhit, its shareholders, and its affiliates, directors, officers, advisors and employees have not verified the accuracy of, and make no representations or warranties in relation to, statistical data or predictions contained in this press release that were taken or derived from third party sources or industry publications, and such statistical data and predictions are used in this press release for information purposes only.

Finally, this press release may be drafted in the French and English languages. In an event of differences between the texts, the French language version shall prevail.

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DIAXONHIT S.A.

CONSOLIDATED INCOME STATEMENT (in thousands of euros, except per share data)

	12 months Dec. 31, 2013	12 months Dec. 31, 2012 *	12 months Dec. 31, 2012 ** (pro forma)
Sales of in vitro diagnostic products	26,326	691	23,781
Research and Development revenues	4,174	4,375	4,375
Other products	248	16	16
Research & Development grants	468	305	449
Total revenues	31,216	5,387	28,621
Cost of goods sold	(16,217)	(449)	(14,195)
Research and Development expenses	(7,346)	(6,983)	(7,978)
Marketing and Sales expenses ***	(7,932)	(898)	(7,658)
General and Administrative expenses	(6,495)	(3,531)	(6,113)
Total operating expenses	(21,774)	(11,412)	(21,749)
Loss from operations	(6,775)	(6,474)	(7,323)
Interest expense	(74)	(48)	(23)
Interest income	114	64	102
Currency exchange gain (loss) - net	(124)	(184)	
Financial income (loss)	(85)	(168)	79
Extraordinary expenses	(262)	-	
Extraordinary income	241	-	179
Extraordinary income (loss)	(21)	-	179
Income (loss) before tax and amortization of goodwill	(6,881)	(6,643)	(7,065)
Tax benefit (expenses)	1,137	943	1,139
Amortization of goodwill	(250)	(71)	(308)
Net income (loss)	(5,994)	(5,770)	(6,235)
Weighted average number of shares outstanding	56,922,318	35,941,997	
Net loss per share	(0.11)	(0.16)	
Net loss per share (diluted)	(0.11)	(0.16)	
(*) consolidated accounts including IBS since its acquisition on 14/12/2012			
(**) non-audited accounts including IBS as if it had been acquired on 01/01/2012			
(***) including amortization of intangible assets derived from the PPA :	(1,340)		(1,286)

DIAXONHIT S.A.

CONSOLIDATED BALANCE SHEET (in thousands of euros)

ASSETS	December 31, 2013	December 31, 2012
Goodwill, net	2,757	16,850
Intangible assets, net	13,382	599
Property and equipment, net	1,048	1,223
Other long term assets	280	440
Total long-term assets	17,467	19,112
Inventory	1,480	1,821
Accounts receivable	5,797	4,108
Grants receivable	-	-
Other short term assets	2,978	3,651
Marketable securities	2,546	3,143
Cash and cash equivalents	3,147	6,659
Total short-term assets	15,947	19,382
TOTAL ASSETS	33,414	38,494
LIABILITIES AND SHAREHOLDERS' EQUITY	December 31, 2013	December 31, 2012
Share capital	934	886
Additional paid-in capital	104,531	102,590
Acquisition premium	9,795	9,795
Accumulated deficit	(96,663)	(90,670)
Other	968	1,057
Shareholders' equity	19,565	23,658
Other equity	999	843
Accruals for risks	800	569
Long-term debt less current portion	1,399	1,867
Long-term capital lease obligations less current portion	124	131
Long-term portion of deferred income	-	126
Total long-term liabilities	1,709	2,125
Current portion of long-term debt	510	444
Current portion of capital lease obligations	138	237
Accounts payable	5,480	5,870
Accrued liabilities (Tax and Compensation)	3,339	3,291
Other short-term debt	-	18
Deferred income short-term	1,060	1,438
Total short-term liabilities	10,342	11,299
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	33,414	38,494

DIAXONHIT S.A.

CONSOLIDATED CASH FLOW STATEMENT

(in thousands of euros)

	Year ending Dec 31, 2012	Year ending Dec 31, 2011
OPERATIONS		
Net loss	(5,994)	(5,770)
Less:		
Depreciation and amortization of property & equipment	634	268
Depreciation of intangible assets	1,481	16
Amortization of goodwill	250	71
Net book value of impaired assets	39	8
Net change in accruals for risks	231	(296)
Other	(4)	37
Increase (decrease) in cash from:		
Inventory	341	(132)
Accounts receivable	(1,689)	673
Research tax credit receivable	2	423
Prepaid expenses and other assets	674	(776)
Accounts payable and accrued expenses	(391)	1,832
Accrued liabilities (Tax and Compensation)	48	(654)
Deferred income, short term	(164)	(146)
Deferred income, long term	(126)	-
Grants – deferred income, short term	(214)	-
Change in working capital	(1,537)	1,221
Net cash used in operations	(4,901)	(4,447)
INVESTING ACTIVITIES		
Purchase of property and equipment	(574)	(87)
Sale of property and equipment	168	-
Acquisition of shares in subsidiaries (net of cash acquired)	-	(5,659)
Other financial assets	193	-
Net cash used in investing activities	(213)	(5,746)
FINANCING ACTIVITIES		
Issuance of shares (net of fees)	1,602	5,943
Loan – redeemable advances	156	646
Reimbursement of bank loans	(401)	-
Reimbursement of lease obligations	(230)	(27)
Grants - deferred income, short term	-	475
Grants - deferred income, long term	-	86
Net cash provided by (used in) financing activities	1,127	7,123
Net increase (decrease) in cash and cash equivalents	(3,987)	(3,070)
Effects of currency exchange rate on cash	(121)	(52)
Cash and cash equivalents, beginning of period	9,802	12,925
Cash and cash equivalents, end of period	5,694	9,802