GeneNews Announces Q2 2018 Results and Provides Progress Update

- Closed on the first tranche of the Unit private placement for C$1.2 million and the Lind convertible security for C$2 million
- Number of enrolled and active practices continues to grow
- Implementation planning continues with several large healthcare systems, with test initiation planned for Q3/Q4.
- High Risk Population and Direct to Consumer testing continues to be built out, as does new agreements with supportive diagnostic labs to cross-promote as well as expand testing to each other's client base.
- Approximately 1500 tests processed during the quarter.

Subsequent to the Quarter:

- July 12, 2018, we announced the appointment of David Byram as the Chief Commercial Officer for IDL where he will oversee all IDL's customer-facing activities including sales, client relations and commercial operations.
- Test volume in July has grown 40% over previous months.
- Billing revenue showing significant increase in Q3
- Partnership with LifeX™ announced

TORONTO, Aug. 15, 2018 /CNW/ - GeneNews Limited (TSX:GEN) ("GeneNews" or the "Company") today announced operational and financial results for the three-month and six-month periods ended June 30, 2018, and provided a progress update on its business.

"While the Second Quarter of 2018 continued the build-out for the growth that we expect this year," commented James R Howard-Tripp, GeneNews' Chairman and CEO. "Q3 has started with a bang with test volume up 40% during July, cash receipts from our billings early in Q3 showing the increases we have been expecting, and incremental testing with High Risk Populations as well as the AIM reps beginning. The appointment of David Byram and the very strong focus he is bringing to our commercial activity, as well as the very necessary injection of cash from the financings, has allowed us to markedly step up activity."

Howard-Tripp further commented "GeneNews and LifeX this morning announced a partnership which has two specific near-term objectives: the first is to expand the adoption and use of GeneNews' 'liquid biopsy', molecular diagnostics for the early diagnosis of cancer into large, multi-entity healthcare systems; the second objective is to fully develop and market GeneNews' Aristotle platform, specifically, the first-in-class early detection of ten cancers from a single sample of blood. It is GeneNews and LifeX's intent to have a transformational effect on early cancer screening and diagnosis".

Q2 2018 Financial Results

All amounts are expressed in U.S. dollars unless otherwise stated and results are reported in accordance with International Financial Reporting Standards.

For the six-month period ended June 30, 2018, we reported a consolidated net loss of $3.2 million, or $0.02 loss per common share, as compared with a consolidated net loss of $2.0 million, or $0.03 loss per common share, for the six-month period ended June 30, 2017. The $1.2 million increased loss results from the $0.6 million impact of the revaluation of warrants, $0.6 million change in fair value of conversion liability, the $0.6 million increase in finance costs and the $0.3 million decline in test revenue, offset by $0.5 million lower general and administrative expenses and $0.3 million lower cost of goods sold.

During the second quarter of 2018, we closed on significant financing initiatives to support the roll-out into our Four Primary Growth Area initiatives including: small independent practices, high-risk populations/employers, telemedicine and large healthcare systems. JTS continues to assist with the new billing process at IDL which has improved our cash collections on a quarter-over-quarter basis. Invoicing for tests run but not billed during our transition to the new billing process was submitted to payers in Q2 2018 and we expect collections on these amounts to begin to be received in the third quarter of 2018.

The Company's financial statements and management's discussion and analysis are available on www.sedar.com.

About GeneNews

GeneNews, an innovator in the liquid biopsy space, is committed to becoming a leader in advanced diagnostics and personalized medicine, serving as a strong commercialization outlet for early detection of cancer and other chronic diseases. Our mission is to identify, assess and make commercially available a comprehensive menu of diagnostics that provide physicians and patients with personalized clinical intelligence and actionable information to improve health out-comes through the early diagnosis of disease. Our Richmond, Virginia-based Innovative Diagnostic Laboratory clinical reference lab specializes in traditional and advanced clinical evidence-based blood testing that helps find, understand, and address cancer risk in patient populations. Currently, IDL offers risk assessment blood tests for four prevalent cancer types - colon, lung, prostate and breast. GeneNews' common shares trade on the Toronto Stock Exchange under the symbol 'GEN'. More information on GeneNews and IDL can be found at www.GeneNews.com and www.myinnovativelab.com, respectively.

Forward-Looking Statements

This press release contains forward-looking statements identified by words such as "expects", "will" and similar expressions, which reflect the Company's current expectations regarding future events. The forward-looking statements involve risks and uncertainties that could cause the Company's actual events to differ materially from those projected herein. Investors should consult the Company's ongoing quarterly filings and annual reports for additional information on risks and uncertainties relating to these forward-looking statements. The reader is cautioned not to rely on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements, except as required by law.

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http://www.prnewswire.com/news-releases/genenews-announces-q2-2018-results-and-provides-progress-update-300697278.html

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