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FINANCIAL RESULTS FOR 2012

- **FY2012 results in line with expectations**
- **Financial resources significantly strengthened via capital increase completed in March 2013**
- **Phase IIb study of TNF-Kinoid in Rheumatoid Arthritis expected to be initiated mid 2013**

Paris, March 29th 2013 – NEOVACS (Alternext Paris : ALNEV), a leader in active immunotherapies for the treatment of autoimmune diseases, today announced its financial results for the year to 31 December 2012 as approved by the Board of Directors on March 28th 2013.

Financial results in line with Company expectations

In K€	2012	2011
Revenues	**115**	**392**
of which, grants	*99*	*364*
Operating costs	-8,353	-10,595
of which, R&D	*-5,409*	*-8,991*
Operating profit/loss	-8,238	-10,203
Pretax profit/loss	-8,292	-10,198
Research tax credit	-1,157	-1,596
Net profit /loss	-7,150	-8,114

Revenues for the year to 31 December 2012 were €114,595. Since the company is still a development stage enterprise, the majority of the revenues were attributable to a €99,071 grant from OSEO-ANVAR related to the development of the IFNα-Kinoid in lupus.

Operating costs fell by 21% to €8.3 million for the period, compared to €10.6 million in FY 2011. The decrease in spending is largely explained by the conclusion of clinical studies (phase I/II for IFNα-Kinoid and phase IIa for TNF-Kinoid) while general and administrative expenditures remained stable. R&D expense was 75% of the Company's total operating costs, compared to 85% in 2011.

As a result, operating losses were €8,2 million, a decrease compared to 2011 (€10.2 million). After taking into account €1.2 million arising from the research tax credit (CIR), the net loss for the year to 31 December 2012 was €7.2 million. This compares to a net loss of €8.1 million for the same period in 2011.

2012 clinical highlights : key achievements confirm the high potential of NEOVACS' portfolio in 3 severe autoimmune diseases:

- **Rheumatoid Arthritis**: Promising Phase IIa clinical results of the TNF-K-003 study in patients resistant to anti-TNF treatments were published on January 5, 2012. Follow-up results at month 6 strenthened these observations and showed an improvement in disease symptoms in patients with Kinoid-induced antibodies

- **Crohn's Disease:** Final results of the Phase II clinical study presented in November 2012 confirmed that the TNF-Kinoid is immunogenic, well tolerated, and showed an association between antibodies induced by active immunization and clinical remission.

- **Lupus:** Very encouraging results in the Phase I/II of the clinical trial continue to receive significant attention from the scientific community and were recently published in the journal *Arthritis & Rheumatism* (February 2013). The safety record of IFNα-Kinoid is excellent, as confirmed by 2 years of patient follow-up since the study.

Major events since FY 2012 close: Significant strengthening of financial resources through a capital increase with preemptive rights for existing shareholders.

Neovacs' Board and management decided to raise additional capital in order to 1) obtain rapidly proof-of-concept for the TNF-Kinoid and 2) allow all shareholders to take part in this critical phase of the Company's development.

The company's capital increase was successfully completed and was oversubscribed by 135% and a total of €7.2 million was raised.

Available cash balances at 31 December 2012 were €4,3 million.

Outlook for 2013: Launch of a Phase IIb of TNF-Kinoid in RA

The immediate goal of the rights issue was to accelerate Neovacs' strategic development goals, by initiating in the short term a phase IIb study of TNF-Kinoid in Rheumatoid Arthritis. This decision was made taking into account the encouraging clinical results obtained to date in this indication, as well as the market opportunity for differentiated therapeutics in this disease.

"The financial results presented today are perfectly in line with the Company's expectations and show tight control over non-R&D expenditures. Thanks to the success of the capital increase earlier in the year, we start FY 2013 in strong financial shape. We are close to finalising the design of our next clinical study: a 120-130 patient phase IIb study of TNF-Kinoid in RA, expected to be initiated in mid 2013." concluded Guy-Charles Fanneau de la Horie, CEO of NEOVACS.

About Neovacs

Neovacs is a biotechnology company focused on an active immunotherapy technology platform (Kinoids) with applications in autoimmune and/or inflammatory diseases. On the basis of the company's proprietary technology for inducing a polyclonal immune response (covered by five patent families that run until at least 2026) Neovacs is focusing its development efforts on two active immunotherapies: TNF-Kinoid is being developed for the treatment of TNF-mediated autoimmune diseases such as rheumatoid arthritis and Crohn's disease, whereas IFNα-Kinoid is being developed for the indication of lupus. The goal of the Kinoid approach is to enable patients to have access to safe treatments with efficacy that is sustained in these life-long diseases.

For more information on Neovacs, visit www.neovacs.fr

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