FINANCIAL RESULTS FOR 2013

- **FY2013 results in line with expectations**
- **Enrollment of patients of Phase IIb study of TNF-Kinoid in Rheumatoid Arthritis according to the development plan**
- **Financial resources significantly strengthened via capital increase completed in March 2013 and equity line secured in December 2013**

Paris, March 27th 2014 – 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 2013 as approved by the Board of Directors on March 26th 2014.

In K€	2013	2012
Revenues	**44**	**115**
of which, grants	*0*	*99*
Operating costs	7,941	-8,353
of which, R&D	*-6,194*	*-5,409*
Operating profit/loss	-7,898	-8,238
Pretax profit/loss	-8,028	-8,292
Exceptionnal items	10	-14
Research tax credit	-1,148	-1,157
Net profit /loss	-6,870	-7,150

Revenues for the year to 31 December 2013 were €43,909. Since the company is still a development stage enterprise, it does not generate turnover.

R&D expense was 78% of the Company's total operating costs, compared to 75% in 2012. General and administrative expenditures remained stable. Given the conclusion of phase I/II for IFNα-Kinoid and phase IIa/II for TNF-Kinoid, operating costs decreased to €7.9 million in 2013 compared to €8.3 million in 2012.

As a result, operating losses were €7.9 million, a decrease compared to 2012 (€8.2 million). After taking into account capital gains of €10,206 euros made as part of the liquidity contract signed with Invest Securities, and €1.1 million arising from the research tax credit (CIR), the net loss for the year to 31

December 2013 was €6.9 million. This compares to a net loss of €7.2 million for the same period in 2012.

Significant strengthening of financial resources

Neovacs succesfullly completed in March 2013 a €7.2 million capital increase with preemptive rights for existing shareholders, which was oversubscribed by 135%.

The Company also received €414,839 in repaybale advances from the French Public Investment Bank Bpifrance following achievement of a third milestone in early April, as part of the Tracker Project in rheumatoid arthritis (RA).

In order to diversify its financial ressources, Neovacs secured a contingent equity line with Kepler Cheuvreux in December 2013. The shares subscribed by Kepler Cheuvreux can be issued by tranches within the next 36 months, exclusively at Neovacs' request, within an overall envelope of 1,970,000 new shares, i.e. 9.9% of the current total number of shares.

Neovacs financial position is thus significantly strengthened. The available cash balances at 31 December 2013 were €4 million (equity line not included), in line with Company's projections given its clinical program. Once taking into accounts the funds to be drawn from the equity line, Neovacs has the financial resources to cover its expenses for the next 12 months.

The Company has no debt and benefits from a sound balance sheet given its business model.

2013 highlights

Scientific publications and international recognition

Neovacs published in February 2013 an article[1] on active immunization with IFNα-Kinoid in patients with lupus in one of the leading scientific journals in the field of rheumatology, *Arthritis & Rhumatism*.

Two other articles[2], published in the April 2013 edition of *Science*, were of great relevance to Neovacs' clinical work on active immunotherapy with IFNα-Kinoid. The articles demonstrated the therapeutic potential of redirecting the immune response by blocking type I interferon, and noted the link between interferon signature and the success of treatment. Both articles are validating Neovacs' innovative technology.

Launch of the Phase IIb of TNF-Kinoid in Rheumatoid Arthritis

In order to maximize its financial resources and obtain rapidly proof-of-concept for the TNF-Kinoid, Neovacs' management and Board made the strategic decision to focus Company efforts in 2013-2014 on the development of the TNF-Kinoid in RA. A phase IIb clinical trial of TNF-Kinoid in this indication was thus initiated mid-2013 on 140 patients. The primary endpoint of the study is clinical efficacy. Neovacs successfully recruited the first patients for the study in December 2013. All study centers are now open and active, and the recruitment is moving forward according to schedule. The results for the TNF-Kinoid phase IIb study are expected at the end of 2014.

[1] Bernard Lauwerys et al. Down-regulation of interferon signature in systemic lupus erythematosus patients by active immunization with interferon α–kinoid (2013)

[2] Elizabeth B. Wilson *et al.,* Blockade of Chronic Type I Interferon Signaling to Control Persistent LCMV Infection (2013) et [2] John R. Teijaro *et al.* Persistent LCMV Infection Is Controlled by Blockade of Type I Interferon Signaling (2013)

Change in management: Miguel Sieler named CEO of Neovacs

Neovacs named Miguel Sieler Chief Executive Officer of Neovacs in October 2014, replacing Guy- Charles Fanneau De La Horie. Miguel Sieler was the former Chairman and CEO of Bayer France (1998-2008). He brings to Neovacs over 30 years of experience in the pharmaceutical industry.

2014 outlook

Preclinical programs to resume in four indications

Neovacs announced early 2014 it is relaunching preclinical programs on VEGF-Kinoid in Age-related Macular Degeneration (AMD) and solid tumors ; on IFNα-Kinoid in certain chronic viral infections; and IL-4-Kinoid for the treatment of allergies. Building on the scientific knowledge and technology of Neovacs, these preclinical studies will target 3 cytokines with the goal to initiate phase I studies in 2015 for the most advanced programs.

Positive review of TNF-Kinoid Phase IIb study in RA by the iDSMB

An independent Data and Safety Monitoring Board (iDSMB) reviewing the safety data of the phase IIb clinical trial of TNF-Kinoid in RA issued a final report in March 2014 with unrestricted approval of the study. The 4 international experts of the committee of 4 international auto-immune disease experts concluded to the good safety profile of the Kinoid at the actual stage of the study, and made a unanimous recommendation to pursue the study without modification.

Miguel Sieler, CEO of Neovacs, concludes: *" From a clinical point of view, 2013 was an important year for Neovacs, with the launch of our phase IIb trial in RA. 2014 will also be a critical year. The RA clinical study is progressing according to schedule, with the iDSMB confirming the excellent safety profile of our Kinoid in March. We are also resuming preclinical studies with 3 other Kinoids, in order to maintain our leadership position in the development of immunotherapies for the treatment of auto-immune diseases, chronic infections and cancer. I am confident that the clinical data that we will present in 2014 will prove the efficacy of our products, and allow Neovacs to reach the next phase of its development".*

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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