

GeNeuro announces successful €17.5 million private placement

Geneva, Switzerland, January 31, 2020 – 08:00 CET – GeNeuro (Euronext Paris: CH0308403085 - GNRO), a biopharmaceutical company developing new treatments focused on stopping causal factors driving the progression of neurodegenerative and autoimmune diseases (the “Company”), today announced the successful completion of a €17.5 million international private placement only to certain qualified and institutional investors of 5,932,201 new ordinary bearer shares of GeNeuro with a par value of CHF 0.05 each (the “New Shares” and the “Offering”, respectively).

The New Shares have been offered at a price of €2.95 each, including nominal value and issue premium (the “Subscription price”).

Bryan, Garnier & Co Limited acted as sole global coordinator and sole bookrunner of the Offering.

“Successfully completing this private placement provides GeNeuro operating capital into mid-2022, and the means to complete the planned study of temelimab in multiple sclerosis (“MS”) patients with disability progression without relapses at the Karolinska Institutet / Academic Specialist Center in Stockholm, and to bring the new amyotrophic lateral sclerosis (“ALS”) antibody to an IND. GeNeuro has also enriched its shareholder base as Institut Mérieux and Eclotion2, who have supported the Company for over a decade, have been joined by other leading international investors.” said **Jesús Martin-Garcia, CEO of GeNeuro.**

In the Offering, GNEH SAS, a subsidiary of Institut Mérieux and an existing shareholder of GeNeuro (“GNEH”), has subscribed to 2,542,372 New Shares in cash and by way of set-off. As a result, following the Offering GNEH shall own 36.46% of the share capital and 36.65% of the voting rights of the Company on a non-diluted basis and 36.23%, respectively 36.41%, on a fully diluted basis.

GeNeuro intends to use the net proceeds of the Offering to:

- Complete the clinical trial of temelimab in MS to be conducted with the Karolinska Institutet/Academic Specialist Center (ASC), Stockholm, Sweden, with results expected in H2 2021;
- Repay an outstanding €7.5m shareholder loan granted by GNEH to GeNeuro on December 20, 2018, whereby GNEH shall partly fund such repayment through the purchase price owed for its New Shares (€0.1 million in cash and €7.4 million by way of set-off);
- Advance the preclinical program of GNK301, an anti-HERV-K monoclonal antibody being developed for ALS, up to IND submission to the FDA, expected in H1 2021; and
- Cover the Company’s other pre-clinical programs and operating expenses, extending its financial visibility to mid-2022.

The New Shares issued will represent 40.5% of the Company’s share capital prior to the Offering on a non-diluted basis and 28.8% of the Company’s share capital after the Offering.

In accordance with Article 5bis of the Company's Articles of Association, as amended by its General Shareholders' meeting of May 24, 2018, the Board of Directors of the Company approved on January 30, 2020 the issuance of the New Shares and the Subscription Price and waived the preferential subscription rights (the "Capital increase").

The Subscription Price represents a discount of 7% on the closing market price of the Company's shares on Euronext Paris on the last trading day preceding the closing date of the Offering, i.e. €3.18 on January 30, 2020.

Following the registration of the Capital Increase by the Commercial registry of Geneva expected to occur on January 31, 2020, the Company's share capital will be composed of 20,590,319 ordinary bearer shares with a nominal value of CHF 0.05 each.

Based on the information available to the Company, the breakdown of the Company's share capital and voting rights before and after the Capital Increase is as follows:

	Ownership and voting rights before the Capital Increase		Ownership and voting rights after the Capital Increase	
	Number of shares and voting rights	% of share capital and voting rights	Number of shares and voting rights	% of share capital and voting rights
Eclosion2 & Cie SCPC	6,367,608	43.44%	6,367,608	30.93%
GNEH SAS ⁽¹⁾	4,965,654	33.88%	7,508,026	36.46%
Servier International BV	1,254,596	8.56%	1,254,596	6.09%
Sub-total	12,587,858	85.88%	15,130,230	73.48%
Total employees and directors	147,437	1.00%	147,437	0.72%
Treasury shares ⁽²⁾	105,881	0.72%	105,881	0.51%
Free Float	1,816,942	12.40%	5,206,771	25.29%
TOTAL	14,658,118	100.00%	20,590,319	100.00%

(1) Institut Mérieux and bioMérieux SA reported to the AMF on November 9, 2018, that they have contributed their shareholdings in GeNeuro to GNEH SAS (a holding company held 81.1% by Institut Mérieux and 18.9% by bioMérieux).

(2) Shares held in treasury have their voting rights suspended in accordance with Swiss law.

The settlement and delivery and admission to trading date of the New Shares to be issued upon registration of the Capital Increase by the Commercial registry of Geneva (expected on January 31, 2020), is scheduled for February 4, 2020. The New Shares will carry immediate dividend and voting rights and will be listed on the regulated market of Euronext Paris market under ISIN CH0308403085–GNRO.

In connection with the Offering, GeNeuro has undertaken, subject to standard exceptions, not to issue equity securities or securities giving rise to equity securities for a 90-day period and GNEH SAS, Eclosion2 & Cie SCPC, Servier, and the directors, officers and key employees who hold shares or stock options of the Company have agreed to a 90-day lockup period, subject to standard exceptions.

Detailed information about the Company, specifically its activity, its earnings, and the corresponding risk factors, appears in the Company's 2018 Registration Document registered with the AMF on April 29, 2019 under number R.19-017. As a result of admission to trading of the New Shares on Euronext Paris, which shall represent more than 20% of the existing shares of the Company, the Company is required to prepare and submit a prospectus for approval by the AMF. The Company intends to file with the AMF on January 31 2020 a Universal Registration Document which, together with a securities note, and a summary (included in the securities note), will form a prospectus. This prospectus will, upon its approval by the AMF, provide the most recent information available on the Company. The 2018 Registration Document, and when approved, the Universal Registration Document may be consulted, along with the Company's other regulated information and all its press releases, on its website (www.geneuro.com).

About GeNeuro

GeNeuro's mission is to develop safe and effective treatments against neurological disorders and autoimmune diseases, such as multiple sclerosis, by neutralizing causal factors encoded by HERVs, which represent 8% of human DNA. GeNeuro is based in Geneva, Switzerland and has R&D facilities in Lyon, France. It has 23 employees and rights to 17 patent families protecting its technology.

For more information, visit: <https://www.geneuro.com>

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This announcement is an advertisement and not a prospectus within the meaning of Regulation (EU) 2017/1129 (the “Prospectus Regulation”), as implemented in each member State of the European Economic Area.

A listing prospectus comprised of a Universal Registration Document and a Securities Note (including a summary of the prospectus) will be submitted by the Company to the approval of the AMF in relation to the admission to trading of the New Shares issued. Once approved by the AMF, the prospectus will be available on the Company’s website (www.geneuro.com) and on the AMF website (www.amf-france.org).

No action has been undertaken or will be undertaken to make available any shares of the Company to any retail investor in the European Economic Area. For the purposes of this press release, the expression “retail investor” means a person who is one (or more) of the following:

- a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or
- a customer within the meaning of Directive 2016/97/EU, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or not a “qualified investor” as defined in the Prospectus Regulation; and
- the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares.

The Company’s shares in connection with the Capital Increase are not being offered or sold, directly or indirectly, to the public in France to persons other than qualified investors. Any offer or transfer of shares of the Company or distribution of offer documents has only been and will only be made in France to qualified investors as defined by Article 2(e) of the Prospectus Regulation and in accordance with Articles L. 411-1 and L. 411-2 of the French Monetary and Financial Code.

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