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Archamps (France), February 6, 2020 at 8:30 pm CET

Genkyotex raises €4.9 million in its rights issue

The funds raised will finance its operations and help support the clinical development of setanaxib in multiple fibrotic indications

The Phase 2 study in idiopathic pulmonary fibrosis financed by the NIH is expected to be launched in the coming weeks

Genkyotex (Euronext Paris & Brussels: FR0013399474 – GKTX), a biopharmaceutical company and the leader in NOX therapies (the "**Company**"), today announces the result of its capital increase with preferential shareholders subscription rights (the "**Rights Issue**") through the issuance of new shares (the "**New Shares**") whose subscription period ran from January 23 to February 3, 2020 inclusive.

The gross proceeds of this rights issue, issue premium included, totals €4.9 million and will result in the creation of 2,447,297 New Shares at a subscription price of €2.02 per share.

The primary purpose of the proceeds of this issuance of New Shares will be to provide the Company with additional resources to continue, over the next 12 months, the clinical development of its lead product candidate, setanaxib, in multiple fibrotic indications including primary biliary cholangitis (PBC, an orphan fibrotic disorder), idiopathic pulmonary fibrosis (IPF) and diabetic kidney disease.

To this end, the Company is planning to use the proceeds of the Rights Issue to:

- organize a meeting with the FDA (US Food and Drug Administration) in the first quarter of 2020 on the design of the Phase 3 study in PBC, with an expected agreement on this design during the first half of 2020 (€0.4m),
- support the evaluation of setanaxib by supplying this compound for the needs of two Phase 2 studies undertaken on the initiative of the investigators (€1m):
    - in idiopathic pulmonary fibrosis (IPF), financed by the NIH (National Institutes of Health), which should begin in February 2020,
    - in diabetic kidney disease associated with type 1 diabetes (DKD), entirely financed by the JDRF (Juvenile Research Foundation Australia) and the Baker Institute in Australia. An initial 13 patients have already completed the full 48-week treatment and the study has recently been expanded to another 3 countries: Germany, Denmark and New Zealand.

Ethical committees have already approved the study protocol in New Zealand and 3 centers are pending activation. Germany and Denmark will follow.

- initiate a Phase 1 study for setanaxib at high doses in order to define the maximum dose to be used in future clinical trials (€1m),
- continue the development of new generation NOX1/4 molecule inhibitors (€0.4 m), and
- finance the Company's working capital requirements and its running and structural costs (€2.1m net of research tax credit).

Elias Papatheodorou, CEO of Genkyotex, says: "*I would like to thank all existing and new shareholders who contributed to this pivotal fundraising operation for our company. Thanks to their support, and particularly that of our longstanding shareholders Andera Partners, Vesalius, Neomed, N5 Investment AS and Wellington who subscribed to this issue, we will be able to continue evaluating setanaxib within the framework of our clinical program, with investigator-initiated Phase 2 trials in IPF, due to be launched very shortly, and in DKD, currently underway, as well as preparations for a planned international Phase 3 trial in PBC. We now have a strengthened financial structure enabling us to calmly work on the latter's design, for which we expect FDA approval during the first half of 2020, while continuing our other projects with strong potential in fibrotic disorders.*"

The Genkyotex Board of Directors, which met on February 6, 2020, noted the total subscriptions amounts to be received and set the definitive terms of the Rights Issue decided on January 15, 2020.

Results of the rights issue

Following the subscription period, which ended on February 3, 2020, the gross proceeds of this Rights Issue, issue premium included, totaled 4,943,539.94 euros and will result in the creation of 2,447,297 New Shares at a subscription price of €2.02 per share, with a subscription rate of 80.67%:

- **1,148,748** New Shares (i.e. 46.94% of the New Shares) were subscribed to on an irreducible basis, i.e. a subscription rights exercise rate of 37.86%;
- **283,730** New Shares were requested on a reducible basis and will be fully allocated (i.e. 11.59% of the New Shares);
- **1,014,819** New Shares (i.e. 41.47% of the newly issued shares) were allocated by the Board of Directors, within the framework of its ability to freely distribute unsubscribed shares, to Andera Partners, Neomed, N5 Investment AS, and Vesalius that, in accordance with the commitments given prior to the launch of the operation, had pledged to subscribe (it being specified that Wellington, which had also undertaken to subscribe, will separately receive 268,054 New Shares with respect to its subscription on a reducible basis included in the 283,730 New Shares requested on a reducible basis mentioned above).

In accordance with the commitments described in the Company's Prospectus that was approved by the French stock market authority (AMF) under number 20-012 on January 16, 2020, Andera Partners, Neomed, N5 Investment AS, Vesalius and Wellington, shareholders that had pledged to subscribe to the Rights Issue up to a maximum of 4.62 million euros should it not have absorbed at least 75% of the Capital Increase and not reached a total of at least 4.5 million euros, together subscribed to a total of 2,286,136 New Shares (or 93.41% of the New Shares issued) in the Rights Issue for a total of 4,617,994.72 euros.

Following the capital increase, the Company will have a share capital of 11,548,562 euros consisting of 11,548,562 shares with a par value of 1 euro each.

The settlement-delivery of the New Shares and their admission for trading on the Euronext regulated markets in Paris and Brussels is scheduled for February 10, 2020.

The New Shares will carry full rights (*jouissance courante*) and will be traded on the same listing line as the existing shares (ISIN FR0013399474).

Impact of this issue on the shareholder structure and a single shareholder's situation

The following table presents the capital distribution, to the Company's knowledge, before and after the Rights Issue.

	Number of shares before the transaction	**% of capital and theoretical voting rights before the transaction(1)**	**Number of shares after the transaction**	**% of capital and theoretical voting rights after the transaction(1)**
Andera Partners Funds	1,863 079	20.47%	3,001,692	25.99%
Eclosion2 SA	1,393 285	15.31%	1,393,285	12.06%
Vesalius Biocapital II SA, SICAR	691,529	7.60%	1,087,568	9.42%
Neomed Innovation V L.P	544,550	5.98%	940,589	8.14%
Wellington	161,185	1.77%	482,967	4.18%
N5 Investment AS	33,970	0.37%	67,633	0.59%
Management & employees	434,730	4.78%	434,730	3.76%
Other investors	3,970,624	43.63%	4,131,785	35.78%
Treasury shares (2)	8,313	0.09%	8,313	0.09%
TOTAL	**9,101,265**	**100.00%**	**11,548,562**	**100.00%**

1. Theoretical voting rights. All shares have the same voting rights, with the exception of Treasury Shares held by the Company.
2. Shares held on February 5, 2020 within the framework of the liquidity contract with Kepler Cheuvreux.

For informative purposes, the impact of the issue on a shareholder with 1% of the Company's share capital prior to the issue and who has not subscribed to it (calculated on the basis of the number of shares constituting the Company's share capital on the date the Prospectus was granted a visa) would be as follows:

	Shareholder's stake (%)	
	Non-diluted basis	**Diluted basis(1)**
Before the issuance of New Shares(2)	1.00%	0.96%
Following the issuance of 2,447,297 New Shares	0.79%	0.77%

1. In the case of the issuance of a maximum of 345,904 ordinary shares upon exercise of all outstanding equity warrants and stock options.
2. Based on the number of shares in the Company's share capital on the date of the Prospectus, i.e. 9,101,265 shares.

Indicative timetable of the rights issue

February 10, 2020	Issue of New Shares – Settlement/delivery.
	New Shares admitted for trading on Euronext Paris and Euronext Brussels
	Resumption of the ability to exercise business share warrants and stock options

Financial intermediary

GILBERT DUPONT

GROUPE SOCIETE GENERALE

Lead Manager and Bookrunner

Availability of the Prospectus

The Prospectus approved by the French financial markets authority (AMF) on January 16, 2020 under number 20-012, comprises (i) the *Document de Référence* filed with the AMF on April 26, 2019 under number R.19-014 (the "**2018 *Document de Référence***"), (ii) the universal registration document filed with the AMF on January 16, 2020 under number 20-0012 (the "**Universal Registration Document**"), (iii) the *Note d'Opération* dated January 16, 2020 (the "***Note d'Opération***") and (iv) a summary of the Prospectus (included in the *Note d'Opération*).

Copies of this Prospectus may be obtained from the Company's head offices (218 avenue Marie Curie - Forum 2 Archamps Technopole, 74166 Saint-Julien-en-Genevois cedex, France). It is also available on the Company's website (www.genkyotex.com) and the AMF's website (www.amf-france.org).

About Genkyotex

Genkyotex is the leading biopharmaceutical company in NOX therapies, listed on the Euronext Paris and Euronext Brussels markets. Its unique platform enables the identification of orally available small-molecules which selectively inhibit specific NOX enzymes that amplify multiple disease processes such as fibrosis, inflammation, pain processing, cancer development, and neurodegeneration. Genkyotex is developing a pipeline of first-in-class product candidates targeting one or multiple NOX enzymes. The lead product candidate, setanaxib (GKT831), a NOX1 and NOX4 inhibitor has shown evidence of anti-fibrotic activity in a Phase II clinical trial in primary biliary cholangitis (PBC, a fibrotic orphan disease). Based on its positive results, a phase 3 trial in PBC is being planned. setanaxib is also being evaluated in an investigator-initiated Phase II clinical trial in Type 1 Diabetes and Kidney Disease (DKD). A grant from the United States National Institutes of Health (NIH) of $8.9 million was awarded to Professor Victor Thannickal at the University of Alabama at Birmingham (UAB) to fund a multi-year research program evaluating the role of NOX enzymes in idiopathic pulmonary fibrosis (IPF), a chronic lung disease that results in fibrosis of the lungs, the core component of the program will be to conduct a Phase 2 trial with the setanaxib in patients with IPF. This product candidate may also be active in other fibrotic indications.

Genkyotex also has a versatile platform well-suited to the development of various immunotherapies (Vaxiclase). A partnership covering the use of Vaxiclase as an antigen per se (GTL003) has been established with Serum Institute

of India Private Ltd (Serum Institute), the world's largest producer of vaccine doses, for the development by Serum Institute of cellular multivalent combination vaccines against a variety of infectious diseases.

For further information, please go to *www.genkyotex.com*

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This press release may contain forward-looking statements by the company with respect to its objectives. Such statements are based upon the current beliefs, estimates and expectations of Genkyotex's management and are subject to risks and uncertainties such as the company's ability to implement its chosen strategy, customer market trends, changes in technologies and in the company's competitive environment, changes in regulations, clinical or industrial risks and all risks linked to the company's growth. No guarantee is given on forward-looking statements which are subject to the risks described in the universal registration document filed with the AMF on January 16, 2020 under number 20-0012. The realization of part or of all of these risks would be likely to have a negative effect to the activities, situation, financial results or objectives of the Company.

Important information

This press release does not, and shall not, be deemed to constitute a public offering or an offer to buy or as designed to solicit the public's interest for purposes of a public offering.

No communication and no information in respect of this Rights Issue or of Genkyotex may be distributed to the public in a country where registration or approval obligations must be fulfilled. No action has been taken (or will be taken) in any country (outside France) in which such steps are required. The purchase of Genkyotex shares or subscription rights may be subject to specific legal or regulatory restrictions in certain jurisdictions. Genkyotex assumes no responsibility for any violation of any such restrictions by any person.

In France, an offer of securities to the public may only be made pursuant to a prospectus approved by the AMF. With respect to the member States of the European Economic Area (the "Member States"), other than France, no action has been undertaken or will be undertaken to make an offer to the public of the shares requiring a publication of a prospectus in any relevant Member States. Consequently, the securities may not be offered and will not be offered in any Member State (other than France), except in accordance with the exemptions set out in Article 1(4) of the Prospectus Regulation, or in the other cases that do not require the publication by Genkyotex of a prospectus pursuant

to the Prospectus Regulation and/or applicable regulations in the Member States.

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