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NEOVACS REPORTS FULL YEAR 2015 FINANCIAL RESULTS

- Strong improvement in net results
- Balance sheet strengthened through capital increase of €7.5 million and signing of partnering agreement
- Acceleration of IFN α Kinoid development in Lupus
- Extended IFN α Kinoid clinical development program to include Dermatomyositis
- Strengthening of preclinical portfolio with VEGF Kinoid and IL4/IL13

Paris, March 7, 2016 – NEOVACS (Alternext Paris: ALNEV), a leader in active immunotherapies for the treatment of autoimmune diseases, today announced its full-year 2015 financial results, as approved by its Board of Directors on March 4, 2016.

"The year 2015 has been an important year for Neovacs for several reasons: We have concluded and prepared partnering agreements of strategic importance. Following the recommendation of our Scientific Advisory Board we have refocused on the clinical development of IFN α Kinoid in Lupus and added a new indication in the orphan disease Dermatomyositis. This year has also been marked by our new engagement in cancer immunotherapy with our Kinoid technology. We enter 2016 with the keys to pursue the preclinical, clinical and industrial development of our products," said Miguel Sieler, CEO of Neovacs.

FULL YEAR 2015 RESULTS

Summary financial information

In K€	2015	2014
Revenues	1 181	161
Operating costs	12 459	9,815
<i>of which, R&D</i>	<i>10,683</i>	<i>7,753</i>
Operating profit/loss	-11 279	-9,654
Pretax profit/loss	-11 436	-9,812
Exceptional items	4 188	-7
Research tax credit	-2 565	-2,306
Net profit /loss	-4 683	-7 513

As of 31st December 2015, revenues of the company amounted to €1.2 million, an exceptional increase due to the payment of €1.0 million recorded in conjunction with the licensing agreement with the Korean group Chong Kun Dang (CKD) Pharmaceutical Corp.

As a consequence of the intensification of clinical and preclinical activities, running costs increased by 27%, mainly due to the enrolment of the first patients in the Phase IIb trial of IFN α Kinoid in Lupus. Trial-related R&D costs now represent 86% of total expenditures, while structural cost decreased accordingly.

Operating loss was €11.3 million in 2015 compared to €9.7 million the previous year. However, the net loss improved significantly to € 4.7 million due to a loan of €4.2 million from the General Commission for Investment PIAVE and Bpifrance. Further financing and research cost reimbursements by the tax authorities totaled €2.6 million.

REINFORCED FINANCIAL POSITION

In July 2015, the company strengthened its financial position by raising €7.5 million from American institutional investors, significantly improving the Company's cash on-hand.

At 31st December 2015, Neovacs had cash of €6.1 million compared to €5.6 million the previous year. This amount does not include the down payment from CKD within our licensing agreement or the new financing obtained within the PIAVE program with Bpifrance.

NEOVACS CONFIRMS DYNAMIC GROWTH STRATEGY

Reinforcement of its scientific management and of its Scientific Advisory Board (SAB)

Neovacs is now supported by an outstanding group of international experts under the Chairmanship of Professor Jacques Banchereau.

Launch of Phase IIb clinical trial of IFN α Kinoid in Lupus and extension of clinical program to Dermatomyositis

Neovacs is progressing the Phase IIb trial in Lupus with the aim of demonstrating the efficacy of IFN α Kinoid, biologically and clinically, in patients suffering from moderate to severe Lupus. The recruitment of patients started in Q4 2015 in Europe, Asia and Latin America. The IFN α Kinoid development program has been expanded to include Dermatomyositis, an orphan indication in which the signature of IFN α plays a decisive role.

Engagement in cancer immunotherapy

Following the recommendation of its Scientific Advisory Board, Neovacs has confirmed its planned extension into cancer immunotherapy. The objective, during 2016, is to obtain Proof of Concept in relevant animal models, before entering the clinic. The program is focused on the neutralization of tumoral growth factors including VEGF-A in different cancers, in particular colorectal and ovarian cancers.

Out licensing agreement with Chon Kun Dang (CKD) Pharmaceutical Corp.

Neovacs signed, in December 2015, an exclusive out licensing agreement with CKD, leader in immunotherapy in the Korean market, where Lupus is an orphan disease. The companies plan to jointly pursue regulatory approval and commercialize IFN α .

CLEAR STRATEGIC VISION FOR 2016

Advance IFN α Kinoid development. Completion of patient recruitment for Phase IIb trial in Lupus and launch of Phase I/IIa trial in Dermatomyositis.

In 2016, the company expects to finalize the recruitment of 166 patients in Europe, Asia and Latin-America participating in this Phase IIb trial in Lupus and aims to extend this trial to the US.

The Phase I/IIa trial in Dermatomyositis is expected to begin patient recruitment in Q2 2016.

Focus on partnering in markets with high potential

Neovacs continues to concentrate on partnering discussions with selected international companies, with a view to the Phase III clinical studies of IFN α Kinoid.

Establishing the production company NEOSTELL SA

Neovacs has obtained a public financing from Bpifrance of €5 million, which should be paid in 2016 and 2017 supporting its clinical program. With these funds, Neovacs plans to establish a manufacturing facility to produce its therapeutic vaccines starting with IFN α Kinoid.

To further strengthen this industrial plan, Neovacs has entered a partnership with Stellar Biotechnologies based in California (USA) to establish a joint production company Neostell SA¹, based near Paris, which will produce Kinoids for Neovacs and will position the Company as a conjugated therapeutic vaccines producer. The investments in this facility will start immediately after having obtained positive results of the ongoing Phase IIb trial in Lupus.

Pre-clinical portfolio enrichment

Neovacs is driving the preclinical development of the VEGF Kinoid in Age-Related Macular Degeneration (AMD) and in colorectal and ovarian cancers. Additionally, an IL4/IL13 Kinoid is being developed for the treatment of allergies.

About Neovacs

Created in 1993, Neovacs is today a leading 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 potentially run until 2032) Neovacs is focusing its clinical development efforts on IFN α -Kinoid, an immunotherapy being developed for the indication of lupus. Neovacs is also conducting preclinical development works on other therapeutic vaccines in the fields of auto-immune diseases, oncology and allergies. 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, please visit www.neovacs.fr

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¹ Neostell SA will be owned 30% by Stellar and 70% by Neovacs cf. Press Release January 21, 2016