April 30, 2015

Poxel 2014 Annual Results in Line with a Major Post-Closing Event: the Successful Company IPO in February 2015

LYON, France--(BUSINESS WIRE)--POXEL (Euronext - FR0012432516), an independent French biopharmaceutical company focused on the development of drugs to treat Type 2 diabetes, announced today its results for the fiscal year ended December 31, 2014, and approved by Poxel's Board of Directors on April 29, 2015.

"2014 *was marked by significant progress for our pipeline, notably the excellent results for Imeglimin in a phase 2b clinical trial announced last December,"* says Thomas Kuhn, CEO of Poxel. *"These clinical results represent a major step for the further development of the product and for the Company's corporate strategy. Indeed, these results contributed to the success of our IPO in February 2015 allowing us to access capital from international investment funds. Looking ahead, we remain focused on the clinical development of Imeglimin in Asia initiated in late 2014, strategic planning of the phase 3 programs in Europe and the United States, which will be carried out with a partner, new preclinical and clinical studies confirming the unique potential of our product candidates, as well as on the preparation of a phase 1 study for our direct AMPK activator PXL770.*"

Highlights 2014

Imeglimin

- First positive results of the phase 2b trial in December 2014:
  - Statistically significant achievement of the primary endpoint of efficacy of the product on blood glucose levels as well as all of the secondary criteria;
  - Assessment of the optimum dose of the product to be used for the phase 3 program;
  - Confirmation of the good tolerability and safety profile of Imeglimin in almost 400 patients over 6 months of treatment.
- Initiation of Imeglimin development in Asia with the start of a phase 1 clinical trial in Japanese subjects late 2014. The first subject has been enrolled early January 2015.

PXL770

First drug candidate directly activating AMPK with the goal of providing the same metabolic benefits as physical activity, PXL770 achieved positive safety and efficacy results in pre-clinical trials.

Q1 2015 highlights and corporate updates

IPO in February 2015 on compartment C of Euronext in Paris with a fundraising of approximately 27 M€ gross after exercise of the extension clause and a part of the overallotment option clause.

Corporate updates

Imeglimin

- Presentation of the results of the study of phase 2b trial carried out in the United States and Europe at the *American Diabetes Association* (ADA) annual meeting in Boston from 5 to 9 June 2015;
- Delivery and analysis of the results of an efficacy profile in diabetic patients trial;
- Results of the phase 1 study in Japanese subjects;
- Initiation of the phase 2 trial in Asia.

PXL770

Initiation of a phase 1 clinical trial by the end of the year 2015

Year-end financial statements 2014 (IFRS standards)

Poxel does not generate revenues and devotes the bulk of its operating costs to research and development (R & D) purposes. In accordance with IFRS, the R&D costs, amounting to €5,018 thousand for 2014, is net of the R&D Tax Credit (CIR) that represents a profit of €1,977 thousand for the period.

In thousand €	**31/12/2014**	**31/12/2013**
Turnover	-	-
NET research and development expenses	(5,018)	(6,145)
General and administrative expenses	(1,878)	(1,128)
Operating result	**(6,896)**	**(7,273)**
Financial charges	(7,258)	(13,289)
Financial products	72	109
Net result	**(14,082)**	**(20,453)**

Research & Development costs consist essentially of:

- Costs of subcontracting, studies and research for Imeglimin clinical trials execution and PXL770 preclinical studies; and
- The 10 members of the R&D team personnel costs and

- Fees for intellectual property including patent protection costs.

Note that Poxel devotes a significant part of its resources to the protection of its intellectual property by filing patents and patent applications at the international level.

Financial charges correspond mainly to the fair value impact of the Convertible Bonds and the Merck Serono debt. Please note that both IFRS retreatments will no longer impact the company result as of 2015 onwards. Following the company IPO in February 2015, both debts were converted and capitalized into the company equity thanks to the issuance of new shares.

The net result for the financial period ended 31 December 2014 generated a loss of €14,082 thousand, as expected.

On December 31, 2014, the cash and cash equivalents amounted to €10,300 thousand, which did not include the gross proceeds from the fundraising amounting to €26.8 million relative to the company IPO in February 2015.

Next financial press release: First quarter 2015 results on May 5, 2015

About Poxel

Poxel uses its unique development expertise in metabolism to advance a pipeline of truly novel products currently focused on type 2 diabetes. Our first-in-class lead product, Imeglimin, targeting mitochondrial dysfunction, has successfully completed Phase 2 development in the US and EU and has entered clinical development in Japan. We are advancing our second program, PXL770, a direct AMPK activator, through clinical proof-of-concept. We will generate further growth through strategic partnerships and pipeline development.

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