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Poxel Announces Completion of Arbitration with Merck Serono

LYON, France--(BUSINESS WIRE)-- [POXEL SA](#) (Euronext: POXEL - FR0012432516), a biopharmaceutical company focused on the development of innovative treatments for metabolic disorders, including type 2 diabetes and non-alcoholic steatohepatitis (NASH), today announced the completion of its arbitration¹ with Merck Serono.

The arbitral tribunal dismissed the majority of Merck Serono's claims, confirming a significant part of Poxel's position on the matter. As part of the final settlement, Poxel will pay approximately EUR 1.8 million (not including interest and a portion of the arbitration and legal costs) to Merck Serono. The tribunal's decision is final, and the matter is now closed.

"We are pleased that the arbitration has now been resolved and has confirmed most of our position. The outcome does not in any way affect our agreement with Merck Serono moving forward and we remain focused on further developing our pipeline of metabolic disease therapeutics," commented Thomas Kuhn, CEO of Poxel.

Poxel will release its 2020 annual results on March 25, 2021. As of December 31, 2020, the Company's total cash and cash equivalents were EUR 40.2 million (USD 49.4 million).

About Poxel SA

Poxel is a **dynamic biopharmaceutical company** that uses its extensive expertise in developing **innovative drugs for metabolic diseases**, with a focus on **type 2 diabetes** and **non-alcoholic steatohepatitis (NASH)**. In its mid-to-late-stage pipeline, the Company is currently advancing three drug candidates as well as earlier-stage opportunities. **Imeglimin**, Poxel's first-in-class lead product, targets mitochondrial dysfunction. Poxel has a strategic partnership with Sumitomo Dainippon Pharma for Imeglimin in Japan, China, South Korea, Taiwan and nine other Southeast Asian countries. A Japanese new drug application (J-NDA) is under review by the Pharmaceuticals and Medical Devices Agency (PMDA) to request approval for the manufacturing and marketing of Imeglimin for the treatment of type 2 diabetes. After successfully completing a Phase 2a proof-of-concept trial for the treatment of NASH, which met its primary endpoint and study objectives, for **PXL770**, a first-in-class direct adenosine monophosphate-activated protein kinase (AMPK) activator, Poxel plans to initiate a Phase 2b program in the second half of 2021. PXL770 could also have the potential to treat additional metabolic diseases. **PXL065** (deuterium-stabilized R-pioglitazone), a MPC inhibitor, is in a streamlined Phase 2 trial for the treatment of NASH. Poxel also has additional earlier-stage programs from its AMPK activator and deuterated TZD platforms targeting chronic and rare metabolic diseases. The Company intends to generate further growth through strategic partnerships and pipeline development. Listed on Euronext Paris,

Poxel is headquartered in Lyon, France, and has subsidiaries in Boston, MA, and Tokyo, Japan. For more information, please visit: www.poxelpharma.com.

In the context of the COVID-19 outbreak, which was declared a pandemic by the World Health Organization (WHO) on March 12, 2020, the Company is regularly reviewing the impact of the outbreak on its business.

As of the date of this press release, and based on publicly available information, the Company has not identified the occurrence of any material negative effect on its business due to the COVID-19 pandemic that remains unresolved. However, the Company anticipates that the COVID-19 pandemic could have further material negative impact on its business operations. The worldwide impact of COVID-19 may notably affect the Company's internal organization and efficiency, particularly in countries where it operates and where confinement measures are implemented by the authorities. In addition, COVID-19 may impact market conditions and the Company's ability to seek additional funding or enter into partnerships. Particularly, delays in the supply of drug substance or drug products, in the initiation or the timing of results of preclinical and/or clinical trials, as well as delays linked to the responsiveness of regulatory authorities could occur, which could potentially have an impact on the Company's development programs and partnered programs. The Company will continue to actively monitor the situation.

All statements other than statements of historical fact included in this press release about future events are subject to (i) change without notice and (ii) factors beyond the Company's control. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target," "believe," "expect," "aim," "intend," "may," "anticipate," "estimate," "plan," "project," "will," "can have," "likely," "should," "would," "could" and other words and terms of similar meaning or the negative thereof. Forward-looking statements are subject to inherent risks and uncertainties beyond the Company's control that could cause the Company's actual results or performance to be materially different from the expected results or performance expressed or implied by such forward-looking statements.

¹ In 2019, Poxel was notified of the initiation of arbitration proceedings by Merck Serono to settle a difference in interpretation of the assignment and licensing agreement related to Poxel's revenue base to be subject to compensation under the partnership agreement with Roivant Sciences.

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Poxel SA □

Aurélie Bozza

Investor Relations & Communication Director

aurelie.bozza@poxelpharma.com

+33 6 99 81 08 36

Catherine David

Investor Relations & Communication Manager

catherine.david@poxelpharma.com

Investor relations / Media - EU/US

Trophic Communications

Stephanie May or Valeria Fisher

poxel@trophic.eu

+49 171 185 56 82 or +49 175 804 1816

Investor relations / Media - France

NewCap

Emmanuel Huynh or Arthur Rouillé

poxel@newcap.eu

+33 1 44 71 94 94

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