July 15, 2019

Poxel Reports Financial Update for Cash and Revenue for the Second Quarter and the First Half 2019 and Provides Corporate Update

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 its cash position and revenue for the second quarter and the first half of 2019.

As of June 30, 2019, cash and cash equivalents were EUR 49.8 million (USD 56.7 million), as compared to EUR 66.7 million (USD 76.4) as of December 31, 2018.

EUR (in millions)	Q2 2019	Q4 2018
Cash	20.0	7.3
Cash equivalents	29.8	59.4
Total cash and cash equivalents*	**49.8**	**66.7**

Unaudited data
** Cash and cash equivalents net of financial liabilities were EUR 52.5 million at the end of Q4 2018 and EUR 41.1 million at the end of H1 2019*

Poxel reported revenues of EUR 23.2 million for the six months ended June 30, 2019, as compared to revenues of EUR 37.5 during the same period in 2018.

EUR (in millions)	Q1 2019	Q2 2019	**H1 2019**	Q1 2018	Q2 2018	**H1 2018**
Roivant Agreement	-	0.2	0.2	8.1	-	**8.1**
Sumitomo Agreement	14.9	8.0	22.9	10.2	19.2	**29.4**
Other		0.1	0.1			
Total revenues	**14.9**	**8.3**	**23.2**	**18.3**	**19.2**	**37.5**

Unaudited data

Revenue for the six months ended June 30, 2019 mostly reflects a portion of the EUR 36 million upfront payment received from Sumitomo Dainippon Pharma relating to the strategic

corporate partnership announced on October 30, 2017, as well as the Imeglimin Phase 3 program costs in Japan incurred during the first half of 2019 that were re-invoiced to Sumitomo Dainippon Pharma. Both the upfront payment from Sumitomo Dainippon Pharma and the re-invoiced costs of the Phase 3, **T**rials of **IM**eglimin for **E**fficacy and **S**afety (TIMES), program are recognized according to the percentage of completion for this program.

“I am pleased to report that during the second quarter of 2019 we achieved two significant milestones when we reported positive top-line results for Imeglimin from both the Phase 3 TIMES 1 and TIMES 3 trials in Japan. We have been working very closely with our partner, Sumitomo Dainippon Pharma, in preparing for the Japanese New Drug Application for Imeglimin for the treatment of type 2 diabetes, which is a milestone targeted for 2020 with a product launch anticipated for 2021. In addition, Metavant is also making progress advancing Imeglimin in the U.S. and Europe. We recently reported positive top-line results from a trial in patients with type 2 diabetes and chronic kidney disease,” said Thomas Kuhn, CEO of Poxel. “In parallel, we are also making progress advancing our two differentiated clinical programs for the treatment of NASH, which we believe have the potential to be developed as a monotherapy, in combination together or with other agents.”

Clinical Development Update

Imeglimin Update

- During the second quarter of 2019, Poxel and Sumitomo Dainippon Pharma reported positive top-line results for the Phase 3 TIMES 1 and TIMES 3 16-week portion of the trial for the treatment of type 2 diabetes in Japan.
- Phase 3 data in Japan for the TIMES 2 and TIMES 3 36-week open-label period of the trial are expected to be reported during the fourth quarter of 2019.
- For Imeglimin’s development in the U.S. and Europe, in July 2019, positive top-line results were reported from a Metavant trial in patients with type 2 diabetes and chronic kidney disease (CKD) stages 3b/4. Imeglimin was observed to demonstrate a favorable safety and tolerability profile and the pharmacokinetics and pharmacodynamics data were consistent with previous Poxel data.
- Metavant plans to work with regulatory authorities and aims to initiate a Phase 3 program in patients with type 2 diabetes and CKD stages 3b/4 in the U.S. and Europe.

PXL770 Update

- The Phase 2a program for PXL770 is underway. The Phase 2a trial will include efficacy and safety assessment in patients who likely have NASH with results expected during the first half of 2020.
- A separate pharmacokinetic and pharmacodynamic trial for PXL770 is expected to be initiated during July 2019 with data results expected in the fourth quarter of 2019.

PXL065 Update

- Initiation of the Phase 1b multiple ascending dose trial is expected in the third quarter of 2019 and results are expected in the fourth quarter of 2019.
- Poxel will meet with the U.S. Food and Drug Administration during the fourth quarter of 2019 to discuss next steps in the development of PXL065, including a registration

program and the use of Actos® data for a 505(b)(2) registration pathway.

Corporate Update

- During the first half of 2019, Poxel established a U.S. subsidiary and offices in the Boston area as it continues to expand its presence in the U.S.

Planned Presentations and Participation at the Following Upcoming Events

- 55th Annual Meeting of the European Association for the Study of Diabetes, September 16-20, 2019, Symposium Presentation for TIMES 1 September 18th, Barcelona, Spain
- HC Wainwright 21st Healthcare Conference, September 8-10, 2019 New York City, NY
- Licensing Executives Society (LES) 2019 Annual Meeting, October 20-23, 2019, Phoenix, AZ
- BioNetwork Partnering Summit, October 23-25, 2019, Laguna Niguel, CA
- Bio-Europe, November 11-13, 2019, Hamburg, Germany
- Jefferies Global Healthcare Conference, November 20-21, 2019 London, UK
- World Congress on Insulin Resistance, Diabetes and Cardiovascular Disease, December 4-7, 2019, Los Angeles, CA

Next Financial Press Release: 2019 First Half Year Statement, August 26, 2019

About Imeglimin

Imeglimin is the first clinical candidate in a new chemical class of oral agents called Glimins by the World Health Organization. Imeglimin has a unique mechanism of action ("**MOA**") that targets mitochondrial bioenergetics. Imeglimin acts on all three key organs which play an important role in the treatment of type 2 diabetes: the liver, muscles and the pancreas, and it has demonstrated glucose lowering benefits by increasing insulin secretion in response to glucose, improving insulin sensitivity and suppressing gluconeogenesis. This MOA has the potential to prevent endothelial and diastolic dysfunction, which can provide protective effects on micro- and macro-vascular defects induced by diabetes. It also has the potential for protective effect on beta-cell survival and function. This unique MOA offers the potential opportunity for Imeglimin to be a candidate for the treatment of type 2 diabetes in almost all stages of the current anti-diabetic treatment paradigm, including monotherapy or as an add-on to other glucose lowering therapies.

About the TIMES Program

TIMES (**T**rials of **Im**eglimin for **E**fficacy and **S**afety), the Phase 3 program for Imeglimin for the treatment of type 2 diabetes in Japan, consists of three pivotal trials involving over 1,100 patients. The TIMES program includes the following three trials that will be performed using the dose of 1,000 mg twice-daily:

TIMES 1: A Phase 3, 24-week, double-blind placebo-controlled, randomized, monotherapy study to assess the efficacy, safety and tolerability of Imeglimin in Japanese patients with type 2 diabetes, using the change in HbA1c as the primary endpoint. Secondary endpoints of the trial will include other standard glycemic and non-glycemic parameters. The TIMES 1 trial met its primary and secondary endpoints and the top-line data was reported on April 9,

2019.

TIMES 2: A Phase 3, 52-week, open-label, parallel-group study to assess the long-term safety and efficacy of Imeglimin in Japanese patients with type 2 diabetes. In this study, Imeglimin will be administrated orally as a monotherapy or combination therapy with existing hypoglycemic agents, including a DPP4 inhibitor, SGLT2 inhibitor, biguanide, sulphonylurea and GLP1 receptor agonist.

TIMES 3: A Phase 3, 16-week, double-blind, placebo-controlled, randomized study with a 36-week open-label extension period to evaluate the efficacy and safety of Imeglimin in combination with insulin in Japanese patients with type 2 diabetes and inadequate glycemic control on insulin therapy. The TIMES 3 16-week portion of the trial met its primary endpoint with a favorable safety and tolerability profile and the top-line data was reported on June 25, 2019.

About PXL770

PXL770 is a first-in-class direct adenosine monophosphate-activated protein kinase (AMPK) activator. AMPK is a central regulator of multiple metabolic pathways leading to the control of lipid metabolism, glucose homeostasis and inflammation. Based on its central metabolic role, targeting AMPK offers the opportunity to pursue a wide range of indications to treat chronic metabolic diseases, including diseases that affect the liver, such as non-alcoholic steatohepatitis (NASH)[1].

About PXL065

PXL065, formerly DRX-065, is deuterium-stabilized R-pioglitazone. Pioglitazone is the most extensively studied drug for NASH and has demonstrated “resolution of NASH without worsening of fibrosis” in a Phase 4 trial[2]. Pioglitazone is the only drug recommended for biopsy-proven NASH patients by the Practice Guidelines published by the American Association for the Study of Liver Diseases (AASLD) and the European Association for the Study of the Liver (EASL)[3]. Pioglitazone’s use for NASH, however, has been limited due to the PPARγ-related side effects, which include weight gain, bone fractures and fluid retention.

Pioglitazone is a 1:1 mixture of two mirror-image compounds (R- and S-stereoisomers) that interconvert *in vivo*. Using deuterium, we stabilized each stereoisomer and characterized their dramatically different pharmacological properties. In *in vitro* studies, PXL065 has been shown to target MPC as an inhibitor. In preclinical models, PXL065 exhibits the anti-inflammatory activity and NASH efficacy associated with pioglitazone with little or no weight gain or fluid retention, side effects which are associated with the S-stereoisomer. Based upon preclinical and Phase 1 results to date, PXL065 is expected to exhibit a better therapeutic profile than pioglitazone for NASH.

About Poxel SA

Poxel uses its development expertise in metabolism to advance a pipeline of drug candidates focused on the treatment of metabolic disorders, including type 2 diabetes and non-alcoholic steatohepatitis (NASH). We have successfully completed the Phase 2 clinical program for our first-in-class lead product, Imeglimin, which targets mitochondrial dysfunction, in the U.S., Europe and Japan. Together, with our partner Sumitomo Dainippon

Pharma, we are conducting the Phase 3 **T**rials of **IM**eglimin for **E**fficacy and **S**afety (TIMES) program for the treatment of type 2 diabetes in Japan. Our partner Roivant Sciences is responsible for Imeglimin's development and commercialization in countries outside of Poxel's partnership with Sumitomo Dainippon Pharma, including the U.S. and Europe. PXL770, a first in class direct adenosine monophosphate-activated protein kinase (AMPK) activator, is in a Phase 2a proof-of-concept program for the treatment of NASH. PXL770 could also have the potential to treat additional metabolic diseases. PXL065 (deuterium-stabilized R-pioglitazone), a mitochondrial pyruvate carrier (MPC) inhibitor, is in Phase 1 and being developed for the treatment of NASH. Poxel also has additional earlier-stage programs, including deuterated drug candidates for metabolic, specialty and rare diseases. We intend to generate further growth through strategic partnerships and pipeline development. (Euronext: POXEL, www.poxelpharma.com)

---

[1] Source: Smith B. K et al., (2016) Am J Physiol Endocrinol Metab 311, E730 – E740.

[2] Cusi, et al., Ann Intern Med. 2016, 165(5), 305-315).

[3] J Hepatol. 2016, 64(6),1388-402; Hepatology 2018, 67, 328-357.

View source version on businesswire.com:
https://www.businesswire.com/news/home/20190714005017/en/

Poxel SA
Jonae R. Barnes
Senior Vice President
Investor Relations and Public Relations
jonae.barnes@poxelpharma.com
+1 617 818 2985

Investor relations / Media - EU/US
Trophic Communications
Stephanie May or Joanne Tudorica
may@trophic.eu or tudorica@trophic.eu
+49 89 238 877 34 or +49 171 185 56 82

Investor relations / Media - France
NewCap
Alexia Faure/Nicolas Merigeau
poxel@newcap.eu
+33 1 44 71 94 94

Source: Poxel SA