

May 25, 2020



Poxel Successfully Raises €17.7 Million in a Capital Increase

LYON, France--([BUSINESS WIRE](#))--POXEL S.A. (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) ("**Poxel**", or the "**Company**"), today announced the successful private placement of 2,358,483 new ordinary shares, each with a nominal value of €0.02 per share (the "**New Shares**"), reserved to a specified category of investors (the "**Reserved Offering**"). The gross proceeds of the Reserved Offering are €17,688,622.50 (\$19.4 million).

"We are very pleased with the success of the private placement with both U.S. and European investors, including our long-term shareholder Bpifrance Participations through its Large Venture Fund," said Thomas Kuhn, CEO of Poxel. "The use of proceeds will enable the Company to accelerate the development plans for PXL770 and PXL065 for the treatment of NASH, to pursue development activities in other metabolic diseases and for general corporate purposes."

"We look forward to the upcoming results from the PXL770 PK/PD study and the ongoing Phase 2a clinical trial as well as the initiation of the PXL065 Phase 2 study for the treatment of NASH. We are also enthusiastic about the opportunity to evaluate other metabolic diseases through our AMPK activator and deuterated thiazolidinedione platforms and are committed to pursuing all options to continue to build value in our pipeline," continued Thomas Kuhn, CEO of Poxel.

Key features of the capital increase

The Company placed 2,358,483 New Shares with a par value of €0.02, at a price of €7.50 per New Share, including share premium, for a total subscribed amount of €17,688,622.50, representing approximately 9.04% of the share capital of the Company.

In addition, the Company placed 1,768,861 warrants with a five-year term attached to the New Shares (the "**Warrants**") representing a total of 75% coverage on the New Share issuance, representing 1,768,861 potential additional new ordinary shares and 5.93% of the Company's outstanding fully diluted share capital. The strike price of the Warrants shall be equal to €10.03, representing a 18.6% premium on the volume weighted average price of the Company's shares on Euronext Paris over the twenty trading days preceding pricing.

22.6% of the Reserved Offering was subscribed by Bpifrance Participations.

Payment and delivery of the New Shares is expected to occur on or about May 27, 2020.

The issue price of the New Shares represents a discount of 11.3% from the volume weighted average price of the Company's shares on Euronext Paris over the twenty trading days preceding pricing.

As of the settlement and delivery date, which is expected to occur on May 27, 2020, the New Shares will be fungible with the Company's existing shares and are entitled to current dividend rights. The New Shares will be listed on Euronext Paris under ISIN FR0012432516 on May 27, 2020. To the knowledge of the Company, its share capital after the settlement and delivery date will be allocated as follows:

Shareholders	Total shares	Capital %	Voting rights %
Thomas Kuhn	1,514,143	5.32%	5.33%
Other Founders	1,200,675	4.22%	4.22%
<i>Subtotal Founders</i>	<i>2,714,818</i>	<i>9.54%</i>	<i>9.55%</i>
FCPR Innobio	2,174,354	7.64%	7.65%
Bpifrance Participations	2,588,091	9.10%	9.10%
<i>Bpifrance Subtotal</i>	<i>4,762,445</i>	<i>16.74%</i>	<i>16.75%</i>
Andera Partners (formerly Edmond de Rothschild Investment Partners)	4,162,716	14.63%	14.64%
Roivant Sciences Ltd	1,431,399	5.03%	5.03%
<i>Subtotal of Shareholders Holding more than 5% of Share Capital</i>	<i>13,071,378</i>	<i>45.94%</i>	<i>45.97%</i>
Public	15,364,445	54.00%	54.03%
Self-held	15,700	0.06%	N/A

Total

28,451,523 100.00% 100.00%

The New Shares will be issued through a capital increase without shareholders' pre-emptive rights reserved to a specified category of investors under the provisions of Article L. 225-138 of the French Commercial Code (*Code de commerce*) and pursuant to the 17th resolution of the Annual General Shareholders' Meeting held on May 9, 2019 as authorized by the Board of Directors on May 7, 2020 and the Chief Executive Officer on May 22, 2020. The Reserved Offering was open only to investors who are French or foreign individuals or legal entities, including companies, trusts or investment funds or other investment vehicles of any form, investing, as a regular activity, in the pharmaceutical sector.

The Placement Agent for this transaction was JMP Securities LLC.

For illustration purposes, a shareholder who held 1% of the Company's share capital prior to the Reserved Offering and not participating in it will hold 0.92% of the Company's share capital after the Reserved Offering and 0.86% in case of full exercise of the Warrants.

Poxel has agreed to a standstill on the shares of the Company for a period of 120 calendar days, starting from the date of settlement and delivery, subject to certain customary exceptions. Company Officers and Independent Directors have also signed lock-up agreements with regard to the Company's shares that they hold, for a period of 120 calendar days, starting from the date of settlement and delivery, subject to certain customary exceptions.

Information disclosed to the public

The 2019 Universal Registration Document of the Company, filed with the French *Autorité des Marchés Financiers* ("**AMF**") on April 20, 2020, is available on the Company's website (www.poxel.com). Attention is drawn to the risk factors related to the Company and its activities presented in chapter 2.2 of the Universal Registration Document.

The Company's corporate presentation dated May 2020, which outlines a presentation of the Company's activities, including the progress of pre-clinical and clinical programs, is also available on the Company's website.

This press release does not constitute a prospectus within the meaning of the Prospectus Directive nor a public offering.

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. Together, with its partner Sumitomo Dainippon Pharma, Poxel successfully completed the Phase 3 Trials of **IMeglimin for Efficacy and Safety (TIMES)** program for the treatment of type 2 diabetes in Japan. Poxel also established a partnership with Roivant Sciences for Imeglimin's development and commercialization in countries outside of the

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 advancing into a Phase 2 clinical trial for the treatment of NASH. Poxel also has additional earlier-stage programs targeting metabolic, specialty and rare 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.

Contacts

Important Notice

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.

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 has undertaken a full review of the impact of the outbreak on its business. Considering the rapidly evolving situation, the Company is updating this assessment on a regular basis.

The Company anticipates that the COVID-19 pandemic could have a material negative impact on our 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 have been implemented by the authorities. In addition, the deteriorating market conditions may impact the Company's ability to raise additional funding and/or to enter into partnerships. Particularly, delays in the supply of drug substance or drug products, in pre-clinical 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. The Company will continue to proactively monitor the situation.

This document and the information contained herein do not constitute either an offer to sell or purchase, or the solicitation of an offer to sell or purchase, securities of Poxel.

No communication and no information in respect of the offering by the Company of its shares may be distributed to the public in any jurisdiction where registration or approval is required. No steps have been taken or will be taken in any jurisdiction outside France where such steps would be required. The offering or subscription of shares may be subject to specific legal or regulatory restrictions in certain jurisdictions.

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This announcement is an advertisement and not a prospectus within the meaning of the Prospectus Directive (as defined below), as implemented in each member State of the European Economic Area.

*In France, the offer of the Company's shares (the **Shares**) described above took place solely as a placement in accordance with Article L.225-138 of the French Commercial code and applicable regulations. The Offering does not constitute a public offering in France as defined in Article L.411-1 of the French Monetary and financial code and Article 2(d) of the Prospectus Regulation.*

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