



**POXEL**

A French *société anonyme* (corporation)  
 with share capital of EUR 460,684.56  
 Registered office: 259/261 Avenue Jean Jaurès  
 Immeuble Le Sunway  
 69007 Lyon  
 510 970 817 Lyon Trade and Companies Registry

**Answers to the written questions submitted by the shareholders prior to the June 30, 2017, General Assembly Meeting**

Question(s)	Answer(s)
<b>Activity</b>	
<p><b>1. Questions from Mister Julien Marron :</b></p> <p><i>Due to the obvious up to date incapacity of POXEL to reach a strategic agreement with a major pharmaceutical company for Imeglimin (local of global), a serious concern surfaces regarding the future of the product, in particular for the US and Europe territories and this in spite of positive clinical results. Are you still confident that POXEL will be able to sign such a deal in the near future (&lt; 3 to 6 months) to sustain Imeglimin's development in these areas?</i></p>	<p>We are very enthusiastic about Imeglimin's data and its differentiated profile, and we believe that others are as well. The conclusion of a strategic partnership is a top priority for the Company, and we believe that the differentiated product profile of Imeglimin will help us to achieve this goal. We are making progress with the partnership process but the types of agreements we are seeking takes time. Poxel does not give specific guidance on ongoing partnership discussions or the timing of when a potential partnership could be executed. We have generated very strong data for Imeglimin, including the recent Phase 2b data from Japan. We believe that this data along with the additional scientific work we are doing to showcase its mechanism of action and unique product profile, will provide us with the ability to leverage it with Pharma companies.</p>
<p><i>Refinancing POXEL to launch the phase 3 program in Japan will become a key issue short term. A dilutive raise in capital would be a disaster with such low share value. What are your alternative options and what is the maximum dilution that the company is ready to accept for this specific project if a raise in capital occurs in the near future?</i></p>	<p>Poxel does not provide specific guidance on the potential size or timing of capital raises, however the Company is assessing fundraising opportunities on a regular basis and believes that a fully funded company is important and will provide leverage in partnership discussions as we advance the Phase 3 program for Imeglimin in Japan. Non-dilutive funding options are also considered and have the potential to include a corporate partnership, debt financing and convertible bonds. Japan is a top priority for the Company and we believe that it</p>

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<b>Activity</b>	
	<p>has the ability to create significant shareholder value. Japan represents the second largest single market for type 2 diabetes with over \$4 billion in annual sales, and is expected to grow to approximately \$6 billion in 2020. Asia, in broader terms, is considered the most important geographic location with regards to treating the diabetes pandemic in the future.</p>
<p><i>Noah D. Beerman is your US based VP of Business Development since a few years. He's supposed to be in charge of the partnership discussions. How do you see the burden of his wages, social contributions and expenses for the company versus the results obtained since 2015 in the area of Business Development and partnerships conclusions?</i></p>	<p>Noah Beerman is President of US Operations and EVP of Business Development. He has over 25 years of experience in the biopharmaceutical industry and has brought valuable strategic vision to the Company, has implemented a business development process and provided access to his extensive networks, including business, financial and scientific.</p> <p>Achieving alliances with corporate partners remains an important part of our strategy, particularly for the Phase 3 development program of Imeglimin in Europe and the US, and as we continue the development of Imeglimin in Japan, we will also seek a commercial partner in this territory. As previously mentioned, we are continuing to make progress with the partnership process but the types of agreements we are seeking takes time. In addition, he has spearheaded the expansion of our operations into the U.S.</p>
<p><i>What are the domains of intervention of the Board of Directors, their main 2016 achievements and what can justify their remuneration in regard to the benefits for the company?</i></p>	<p>The Board determines the direction of the Company's business activities and oversees the implementation thereof. The Board continues to provide valuable strategic vision and oversight to the Company and access to their extensive global networks. In 2016, Poxel strengthened its Board of Directors both in competence and independence with the addition of Pierre Legault, who is Poxel's Chairman, and is a Board of Directors' member of several US-listed biotechnology companies, and Janice Bourque, Managing Director of Hercules Technology Growth Capital.</p>

