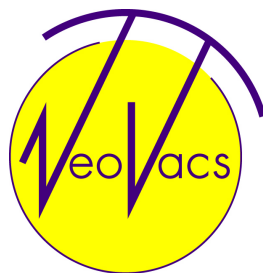


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PRESS RELEASE • PRESS RELEASE • PRESS RELEASE

NEOVACS STRENGTHENS ITS FINANCIAL STRUCTURE: ISSUANCE OF "ORNANE" FOR A MAXIMUM AMOUNT OF €10M, WITHOUT STOCK SUBSCRIPTION WARRANTS

Paris and Boston, March 25th 2019 - 7:30 pm CET - Neovacs (Euronext Growth Paris: ALNEV, eligible PEA-PME) (the "Company"), a major player in therapeutic vaccination for the treatment of autoimmune diseases through its Kinoid® technological platform, announces that it has entered into an agreement with European Select Growth Opportunities Fund (the "Investor") for the financing by issuance of notes convertible into new and/or existing shares of the Company and/or redeemable in cash (the "ORNANE") for a maximum nominal amount of €10 million, with an 8% facial discount, not bearing interest and with no stock subscription warrants attached, over a maximum period of 24 months.

"We are very pleased with L1 Capital's confidence in us and we welcome this agreement, which provides Neovacs with a flexible financial tool and financial visibility beyond the next 12 months based on the Company's current R&D plans. We are convinced of the potential of our products in development and this fundraising allows us to consolidate our clinical and preclinical development strategy," indicated Miguel Sieler, Chief Executive Officer of Neovacs.

Objectives of this transaction

- Continue the development of IFN α Kinoid concerning lupus following the results of the Phase IIb clinical trial in order to prepare for the next clinical stage and monitor the progress of patients treated as part of the five-year long-term follow-up program in accordance with the study protocol.
- Continue the development of the preclinical program of IFN α Kinoid concerning Type 1 Diabetes and IL-4 / IL-13 Kinoid concerning the treatment of allergies.

General description of the transaction

The transaction will result in the issuance of several tranches of ORNANE notes to the Investor, at the Company's discretion and subject to certain conditions, for a maximum nominal amount of €10 million over a 24-month period, it being specified that:

- it is expected that the first tranche of ORNANE, for a nominal amount of €1 million, will be issued by the Company and subscribed by the Investor as of today;

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- unless otherwise agreed by the Company and the Investor, the ORNANE tranches will be for a nominal amount of €1 million, it being specified that the nominal amount of the second ORNANE tranche may be up to €3 million at the Company's discretion.

The issuance of the ORNANE tranches subsequent to the second tranche is subject to the approval of the extraordinary general meeting of Neovacs to be held no later than June 15th 2019.

The Investor will have the option to draw, at its sole discretion and subject to certain conditions, up to 4 tranches of ORNANE.

On an indicative basis, the participation of a shareholder holding 1% of the Company's share capital prior to any capital increase resulting from the issue of new shares upon conversion of the ORNANE will amount to 0.74% in the event that all the ORNANE that may be issued under the financing programme are redeemed exclusively in new shares¹. However, the ORNANE may, at the option of Neovacs, result in the allocation of an amount in cash or existing shares and thus have no dilutive impact on Neovacs' shareholders.

The characteristics of the ORNANE and the detailed terms of the transaction are presented hereafter in the appendix. It is reminded that no stock subscription warrants are attached to the ORNANE.

In consideration for the Investor's commitment to subscribe for each tranche of ORNANE issued by the Company, the Company will pay the Investor a commitment fee equal to 3% of the nominal amount of each tranche of ORNANE subscribed. The commitment fee will be paid upon the drawing of each tranche of ORNANE, at the Investor's discretion, either by issuing ORNANE or in cash as a deduction from the subscription price of the ORNANE.

Indicative timetable for the transaction

March 22 nd 2019	Signature of the financing contract with the Investor
March 25 th 2019	Issuance by the Company of the first tranche of ORNANE Subscription of the first tranche of ORNANE by the Investor Publication of the press release
Prior to June 15 th 2019	Annual ordinary and extraordinary general meeting of the Company's shareholders approving, in particular, the resolution allowing the issuance of the ORNANE tranches following the second tranche

¹ Dilution calculated on the assumption of a conversion price of €0.2456 (based on an exchange rate of €0.2670). This dilution does not prejudice either the final number of shares to be issued upon conversion of the ORNANE or the conversion price, which will be determined on the basis of the stock market price, in accordance with the terms described in this press release.

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About Neovacs

Listed on Euronext Growth Paris (FR0004032746) since 2010, Neovacs has become a major player in therapeutic vaccines targeting the treatment of autoimmune and inflammatory diseases and certain types of cancers. Thanks to its innovative technology inducing a polyclonal immune response, potentially protected until 2032 by 4 families of patents, Neovacs is focusing its clinical development efforts on IFN α Kinoid for the treatment of lupus and dermatomyositis. Neovacs also carries out preclinical work on other therapeutic vaccines for the treatment of autoimmune diseases, cancers, allergies and Type 1 Diabetes. The ambition of this "Kinoid approach" is to enable patients to better support a life-long treatment that would be more effective, well tolerated and very flexible in its administration. Neovacs is eligible for the PEA-PME. For more information: <http://neovacs.fr/>

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In France, the offer of securities referred to here is made exclusively in the context of a placement, in accordance with Article L. 225-138 of the French Commercial Code. This offer does not constitute an offer to the public in France and no prospectus approved by the Autorité des marchés financiers will be published.

The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), and the securities may not be offered or sold in the United States unless such securities are registered under the U.S. Securities Act or an exemption from the registration requirement of the U.S. Securities Act is applicable. The Company and its subsidiaries have not registered, and do not intend to register, the securities referred to herein in the United States, and do not intend to conduct a public offering of securities in the United-States.

With regard to the Member States of the European Economic Area which have transposed Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended, in particular by Directive 2010/73/EU of the

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European Parliament and of the Council of 24 November 2010 (the "Prospectus Directive"), no action has been or will be taken to allow an offer to the public of the securities covered by this press release requiring the publication of a prospectus in either Member State.

The distribution of this press release may, in some countries, be subject to specific regulations. Persons in possession of this press release should inform themselves of and comply with any local restrictions.

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Appendix

Characteristics and terms of the transaction

– Legal framework of the transaction

Pursuant to its 6th resolution, the extraordinary general meeting of March 12, 2018 granted the Board of Directors, with the option to subdelegate, a delegation of competence to decide to issue, on the French and/or international market, with cancellation of the shareholders' preferential subscription right, ordinary shares of the Company and/or debt securities and/or any other securities giving access, immediately or in the future, at any time or on a fixed date, to the Company's share capital, to a category of beneficiaries.

At its meeting of March 22, 2019, the Board of Directors (i) used this delegation, (ii) approved the principle of an issuance of ORNANE representing a bond issuance with a maximum nominal amount of €10 million over a period of 24 months from the date of signature of the financing agreement, and (iii) delegated to the Chief Executive Officer (*Directeur Général*) all powers to issue the first tranche of ORNANE and draw down the second tranche, in accordance with the terms and conditions of the financing agreement (the "**Agreement**"). The Chief Executive Officer signed the Agreement on March 22, 2019 and it is expected that the first tranche of ORNANE will be issued by the Company and subscribed to by the Investor today.

The issuance of the ORNANE tranches subsequent to the second ORNANE tranche is subject to the approval of the Neovacs Extraordinary General Meeting to be held no later than June 15th, 2019.

– Main characteristics of ORNANE²

- Subject to certain conditions³, the ORNANE will be issued in several tranches.
- The ORNANE will have a unit nominal value of €10,000, a maturity of 12 months from their issuance and will be subscribed at par value, and therefore without any facial discount. They will not bear interest.
- The ORNANE will be nominatively registered in the share registers held by CACEIS Corporate Trust and will be transferable without the Company's prior consent (i) to the Investor's affiliates and, under certain conditions, (ii) to third parties. They will not be the subject of an application for admission to trading on the Euronext Growth Paris market.
- The ORNANE shall grant their holders the right, upon conversion, at the Company's discretion, to obtain (i) the allocation of new and/or existing shares, and/or (ii) the allocation of an amount in cash up to all or part of the amount referred to in the conversion notice.

○ Payment in shares:

$$N = V_n / P$$

With:

² The detailed characteristics of the ORNANE are available on the Company's website.

³ The conditions include in particular the absence of any material adverse change, conditions relating to the liquidity of the Neovacs share and the market price of the Neovacs share, conditions relating to the volumes of Neovacs shares that may be held by the Investor and the Neovacs issue authorizations in force.

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"**N**": corresponding to the number of ordinary shares of the Company to be to be remitted to the Investor;

"**Vn**": corresponding to the nominal value of the converted ORNANE;

"**P**": corresponding to 92% of the lowest volume-weighted average price of the Company's shares over the 10 trading days immediately preceding the date of receipt of a conversion notice by the Company and during which the Investor has not sold any Company's shares on the market.

- Payment in cash:

$$C = (Vn / P) * M$$

With:

"**C**": corresponding to the amount in cash to be paid.

"**Vn**": corresponding to the nominal value of the converted ORNANE;

"**P**": corresponding to 92% of the lowest volume-weighted average price of the Company's shares over the 10 trading days immediately preceding the date of receipt of a conversion notice by the Company and during which the Investor has not sold any Company shares on the market;

"**M**": corresponding to the volume-weighted average price of the Company's shares on the date of receipt of a conversion notice by the Company.

- The matured ORNANE must be redeemed by the Company to the Investor in cash.
- In case of occurrence of an event of default⁴, the Company must redeem the nominal amount of the outstanding ORNANE as well as a premium.
- New shares resulting from the conversion of the ORNANE

The new shares issued upon conversion of the ORNANE will carry current dividend rights. They will have the same rights as those attached to the Company's existing ordinary shares and will be listed on Euronext Growth Paris on the same listing line (ISIN FR0004032746).

A table monitoring the conversion of the ORNANE issued as part of the transaction will be updated on the Company's website.

- Risks factors

The Company draws the public's attention to the risk factors relating to the Company and its business as detailed in section 1.4 of its latest annual report made public on April 27, 2018 and in section 6 of its semi-annual report made public on October 30, 2018, available free of charge on the Company's website.

⁴ Events of default include the delisting of the Neovacs share or the announcement of a takeover of Neovacs.

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– Theoretical impact of the issuance of ORNANE

As an indication, in the event of the remittance of new shares and in the event that all the ORNANE likely to be issued under the financing programme are redeemed exclusively in new shares, the impact of the issuance of the ORNANE would be as follows⁵:

- on the participation of a shareholder currently holding 1% of the Company's share capital (based on the number of shares comprising the Company's share capital as at the date of this press release, i.e. 118,149,861 shares):

	Shareholder participation (in %)	
	Undiluted basis	Diluted basis (after exercise of all dilutive instruments existing to date)
Before issuance	1.00%	0.89%
After issuance of the new Neovacs shares resulting from the conversion of the first tranche of ORNANE	0.97%	0.86%
After issuance of the new Neovacs shares resulting from the conversion of all the tranches of ORNANE	0.74%	0.67%

⁵ Dilution and share of shareholders' equity calculated on the assumption of a conversion price of €0.2456 (based on a share price of €0.2670). This dilution does not prejudice the final number of shares to be issued or their issue price, which will be determined on the basis of the stock market price, in accordance with the terms and conditions described in this press release.

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- on the shareholders' equity per share ratio (based on shareholders equity on December 31, 2018 and the number of shares comprising the Company's share capital on the date of this press release, i. e. 118,149,861 shares):

	Shareholders equity per share ratio (in €)	
	Undiluted basis	Diluted basis (after exercise of all dilutive instruments existing to date)
Before issuance	€0.02062	€0.09772
After issuance of the new Neovacs shares resulting from the conversion of the tranche 1 of ORNANE	€0.02809	€0.10202
After issuance of the new Neovacs shares resulting from the conversion of all the ORNANE tranches	€0.07769	€0.13143

– Prospectus

It is specified that this transaction will not result in the preparation of a prospectus submitted to the AMF for approval.