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NEOVACS SUCCESSFULLY RAISES €6.0 MILLION IN PRIVATE PLACEMENT WITH U.S. BIOTECHNOLOGY INSTITUTIONAL INVESTORS

Paris and Boston, July 31, 2017 – 7:30 am CET- Neovacs (Euronext Growth Paris: ALNEV), (the “Company”) a leader in active immunotherapies for the treatment of autoimmune diseases, today announced that it has received commitments from U.S. institutional investors for a capital increase totaling €6.0 million in the context of a private placement.

Participation in the capital increase is limited to institutional investors active in the biotechnology sector. Neovacs will issue a total of 9,230,769 ordinary shares with attached equity warrants at a price of €0.65 per share. The warrants will entitle their holders to purchase up to 7,846,154 additional ordinary shares at an exercise price of €1.00 per share.

Miguel Sieler, CEO of Neovacs, commented: *“This capital increase follows FDA acceptance of a new Investigational New Drug (IND) application to expand into the U.S. our IFN α Kinoid Clinical development program in dermatomyositis, which supports Neovacs’ development strategy in the U.S., a country with a very high prevalence of lupus and where dermatomyositis is an orphan disease. The funds raised through this private placement will enable Neovacs to accelerate the development of our lead therapeutic vaccine, IFN α Kinoid through the completion of preclinical and clinical trials in lupus, dermatomyositis and type 1 diabetes. This capital increase from funds specializing in biotechnology provide important validation of the significant potential of Neovacs’ Kinoid technology for the treatment of severe and rare auto-immune diseases”.*

Use of Proceeds

The proceeds of the capital increase will provide additional funding to the Company to finance the development plan of IFN α Kinoid, including:

- Completion of international Phase IIb clinical trial in Lupus
- Completion of Phase IIa clinical trial in Dermatomyositis (orphan disease)
- Completion of preclinical proof of concept study in Type 1 Diabetes

Terms of the capital increase

The capital increase was authorized by the Company's Board of Directors on July 25, 2017. It will be carried out without preferential subscription rights and reserved to the benefits of a category of

beneficiaries (investment funds investing in the area of health and biotechnology), in accordance with article L. 225-138 of the French commercial code and the fifteenth resolution of the Company's Annual General Meeting of Shareholders held on June 14, 2017. It is specified that none of the current directors nor any significant shareholders of the Company are among the beneficiaries of the capital increase.

Following the transaction, Neovacs' share capital is distributed as follows:

Shareholders Category	Number of Shares	% ownership
Historical institutional investors, founders, executives	3 620 598	5.88%
New US institutional investors	9 230 769	14.98%
Treasury shares (liquidity contract)	132 814	0.22%
Free float (European institutional investors and retail)	48 623 182	78.92%
TOTAL	61 607 363	100.00%

The subscription price of the shares with equity warrants is €0.65, which corresponds to a discount of 17.7% on the reference price¹. The subscription price of the shares with equity warrants compared to the sum of the reference share price¹ and of the theoretical value of a warrant evidences an aggregate discount of 22.5%.

The settlement of the new shares should take place (subject to usual market conditions) no later than August 3, 2017.

The new shares to be issued would represent 17.62% of the share capital of the Company to date (pre-issuance).

For indicative purpose, a shareholder holding 1% of the share capital of the Company would hold 0.85% of the share capital after the transaction, and 0.75% of the share capital if all of the warrants were to be exercised.

In accordance with Article 211-3 of the General Regulation of the French Financial Market Authority (AMF), the capital increase does not and will not require a prospectus to be submitted for approval to the AMF.

Characteristics of the warrants

Each new share issued comes with an equity warrant, the total of warrants so issued being 9,230,769. One warrant will give the right to subscribe to 0.85 ordinary share of the Company.

¹ Volume-weighted average price over the last 5 trading days (€0.79)

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The shares potentially issued upon exercise of the warrants would represent 14.98% of the share capital of the Company to date (pre-issuance).

The warrants shall be exercisable within 48 months of their issuance.

The warrants shall be exercisable at €1.00 per ordinary share.

The theoretical value of a warrant is €0.04, assuming a volatility of 27.7%, based on the closing share price on July 27, 2017 of €0.80 (Black Scholes formula).

If all the warrants are exercised, the Company would receive an additional €7.85 million of proceeds.

The Company has committed to request the listing of the warrants on Euronext Growth Paris by September 30, 2017.

Listing of the new shares

The new shares, with a par value of €0.15, will be of the same category as the existing shares of the Company and will be listed on the same line as the existing shares of the Company under ISIN code FR0004032746. They will carry the same dividend rights as the existing shares and will be entitled, after issuance, to all dividends declared by the Company from that date.

Lock-up of the Company

In connection with the private placement, the Company has agreed to a lock-up period of 90 calendar days following the issuance of the new shares, subject to standard exemptions (including the issuance of new shares resulting from the exercise of warrants already in circulation on this date).

Lock-up of the CEO and the directors of the Company

Mr. Miguel Sieler (CEO) and the directors holding shares and warrants² of the Company will enter into lock-up undertakings for 90 calendar days following the issuance of the new securities with respect to 100% of the securities of the Company they hold (including the shares resulting from the exercise of their warrants).

Information available to the public

Detailed information about Neovacs, notably regarding its activity, results, outlook and related risk factors, are laid out in the Company's annual financial report for 2016 and the half-yearly financial report for H1 2017 that are available on the website of the Company, along with other regulated information and all of the Company's press releases, at the following address: <http://neovacs.fr/en/investissors/>.

Advisors

Roth Capital Partners acted as sole placement agent in connection with the capital increase.

²"BSA 2012-1" , "BSA 2014-1" , "BSA 2015-1" , "BSA 2016-1" depending on the director

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About Neovacs

Listed on Euronext Growth since 2010, Neovacs is today a leading biotechnology company focused on an active immunotherapy technology platform (Kinoids) with applications in autoimmune and/or inflammatory diseases. On the basis of the company's proprietary technology for inducing a polyclonal immune response (covered by five patent families that potentially run until 2032) Neovacs is focusing its clinical development efforts on IFN α Kinoid, an immunotherapy being developed for the indication of lupus and dermatomyositis. Neovacs is also conducting preclinical development works on other therapeutic vaccines in the fields of auto-immune diseases, oncology, allergies and Type 1 diabetes. The goal of the Kinoid approach is to enable patients to have access to safe and effective long-term treatments for these life-long diseases. www.neovacs.fr

For more information on Neovacs, please visit www.neovacs.fr

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In France, the offer of the securities referred to herein has taken place solely as a private placement, in accordance with L.411-2 II of the French monetary and financial code and applicable regulations. The offering does not constitute a public offering in France and no prospectus reviewed or 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 these securities are registered under the U.S. Securities Act, or an exemption from the registration requirements of the U.S. Securities Act is available. The Company and its affiliates have not registered, and do not intend to register, any portion of the securities concerned in the United States, and do not intend to conduct a public offering of securities in the United States.

With respect to the member states of the European Economic Area which have implemented the Directive 2003/71/EC of the European Parliament and the Council of November 4, 2003, as amended, in particular by Directive 2010/73/EC of the European Parliament and of the Council of November 24, 2010 (the "Prospectus Directive"), no action has been undertaken or will be undertaken to make an offer to the public of the securities referred to herein requiring a publication of a prospectus in any relevant member state. In addition, in the United Kingdom, this announcement is being distributed only to, and is directed only at, qualified investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and qualified investors falling within Article 49(2)(a) to (d) of the Order, and (ii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). The offering will only be available to, and any invitation, offer or agreement to subscribe for, purchase, or otherwise acquire securities will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this announcement or any of its contents.

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