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NEOVACS RAISES 7.5 MILLION EUROS IN CAPITAL INCREASE WITH U.S. INSTITUTIONAL INVESTORS

Paris and Boston, June 26, 2015 – Neovacs (Alternext Paris: ALNEV), (the "Company") a leader in active immunotherapies for the treatment of autoimmune diseases, today announced that it has received commitments from three U.S. institutional investors for a capital increase totaling 7,500,000 euros.

Participation in the capital increase is limited to biotechnology-focused institutional investors. Neovacs will issue a total of 7,500,000 securities at a price of one euro (premium included). Each security is composed of one ordinary share and one warrant. The warrants will be immediately detached from the shares.

"*This capital increase is in line with our development strategy in the United States, a country which has a very high prevalence of lupus and is the reference market for this indication. The funds raised will enable us to move forward with the development of our product portfolio including lead product, IFNα-Kinoid, with new trials starting both in lupus and dermatomyositis. The subscription commitments made by specialists funds in biotechnology are a strong signal in support of our Kinoid technology and our strategy based on the development of active immunotherapies for the treatment of severe and orphan auto-immune diseases with significant medical need*" commented Miguel Sieler, CEO of Neovacs.

Use of Proceeds

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

- A phase IIb clinical trial of IFNα-Kinoid in lupus conducted in Europe, Latin America and Asia, to begin in the second half of 2015; and

- A phase IIa clinical trial of IFNα-Kinoid in lupus conducted in the United States. This study is expected to begin six months after initiation of the phase IIb clinical trial of IFNα-Kinoid, and will provide additional, U.S.-specific, data to the results previously obtained in Europe[1].

[1] Results of a Phase I/II clinical trial of IFNα-Kinoid were published in November 2011 at ACR and published in 2013 in Rheumatoid & Arthritis (Lauwerys, 2013)

Terms of the capital increase

The capital increase was approved by the Company's Board of Directors on June 24, 2015. It will be carried out without preferential subscription rights and reserved to the benefits of foreign institutional investors investing in biotechnology companies on a regular basis, in accordance with the eleventh resolution of the Company's Annual General Meeting of Shareholders held on April 8, 2015.

The capital increase amounts to 30.54% of the share capital of the Company to date and represents a dilution of approximately 23.40% for existing shareholders.

The settlement of the new shares should take place (subject to usual market conditions) no later than July 3, 2015.

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

Characteristics of the warrants

One warrant will give the right to subscribe to 0.37732 ordinary share of the Company, that is a potential dilution of 10.33% for existing shareholders.

The warrants shall be exercisable within 60 months of their issuance. They will not be listed on the Alternext Paris market.

The warrants shall be exercisable at 1.25 euros per ordinary share.

If all the warrants are exercised, the Company would receive an additional 3,537,500 euros of proceeds.

Listing of the new shares

The new shares, with a par value of 0.15 euro, 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 agreement of the Company

In connection with the capital increase, the Company has agreed to a lock-up period of 90 days following the issuance of the new shares, subject to standard exemptions. The Company has further undertaken not to use the equity financing agreed in October 2014 between Kepler Chevreux and the Company, until after December 31, 2015.

Equity line of Kepler Chevreux

Neovacs could utilize, when needed, two additional tranches of equity financing, totaling 6,500,000 euros each, as from January 1, 2016 and over a fixed period of 17 months, based on the same terms as the equity line previously announced. As previously announced, Neovacs intends to draw down on these purely optional equity lines only if needed, in the best interest of the Company and its shareholders.

Lock-up agreements of certain managers of the Company

Mr. Miguel Sieler (CEO) and the directors holding shares and warrants[2] of the Company have entered into lock-up undertakings for 90 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).

Risk factors

Neovacs draws investors' attention to the June 2015 update to the risk factors of the Reference Document registered under the number R-14.074 of December 11, 2014, available on the website of the Company at the following address: http://neovacs.fr/investors/investors-documentation/.

Advisors

Maxim Group LLC acted as sole placement agent in connection with the capital increase.

About Neovacs

Created in 1993, 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 IFNα-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 and allergies. The goal of the Kinoid approach is to enable patients to have access to safe treatments with efficacy that is sustained in these life-long diseases.

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

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[2] "BSPCE 2007", "BSA 2014-1" or "BSA 2015-1" depending on the director

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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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