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## 2014 half-year results

- First half results in line with expectations
- Available cash ensures continued operation through to June 2015
- Neovacs' first "Road Show" in New York at the occasion of "French Biotech Day"
- Clinical study of TNFa Kinoid in rheumatoid arthritis
- Preparation of Phase IIb study of INFa Kinoid in Lupus

Paris, 18 September 2014 – Neovacs (Alternext Paris: ALNEV, FR0004032746), a leader in active immunotherapies for the treatment of autoimmune diseases, today announced its results for the six months to 30 June 2014, as approved by the Board of Directors on 17 September 2014.

### 2014 half-year results

in K€	30 June 2014	30 June 2013
<b>Revenues</b>	<b>55</b>	<b>10</b>
<b>Operating costs</b>	<b>-4,576</b>	<b>-3,656</b>
<i>Of which R&amp;D</i>	<b>3,594</b>	<b>2,719</b>
<b>Operating profit/loss</b>	<b>-4,518</b>	<b>-3,646</b>
<b>Net financial income/expense</b>	<b>-64</b>	<b>-37</b>
<b>Pretax profit/loss</b>	<b>-4,582</b>	<b>-3,683</b>
<b>Exceptional items</b>	<b>49</b>	<b>-6</b>
<b>Research Tax Credit</b>	<b>673</b>	<b>409</b>
<b>Net profit/loss</b>	<b>-3,861</b>	<b>-3,279</b>
<b>Closing cash</b>	<b>2,860</b>	<b>8,259</b>

- **Strict cost management**

In the first half of 2014, operating costs came to €4.6 million, from €3.7 million in the same period in the previous year. This 25% increase is the logical result of the beginning of the active stage of Phase IIb clinical trials of TNF-Kinoid in rheumatoid arthritis (enrolment of 140 patients in a limited time frame) and the resumption of preclinical programmes for VEGF Kinoid in DMLA and solid tumours. Thus R&D expenditure continued to represent three-quarters of total operating costs at €3.6 million for the period, from €2.7 million in the first half of 2013. At the same time, the company has operated a policy of strict control over administrative costs, which account for 20% of total operating costs.

As a result, the operating loss was 24% higher, at €4.5 million (from €3.6 million in the six months to 30 June 2013). The net loss also increased by €0.4 million, to €3.9 million at 30 June 2014 (including tax income of €0.6 million related to Research Tax Credits).

- **Available cash ensures continued operation through to June 2015**

Total cash stood at €2.9 million at 30 June 2014. This will be boosted by the payment of the Research Tax Credit at the end of September 2014 (a total of €1.1 million relating to the 2013 financial year) and by the equity finance line made available by Kepler Cheuvreux.

As previously indicated, available cash is sufficient to ensure the company's continued operation until June 2015, and will finance notably the monitoring of patients included in the clinical trial of TNF-Kinoid in rheumatoid arthritis as well as the preparation of clinical batches required for the launch of the Phase IIb trial of IFN-Kinoid in lupus.

- **Outlook**

#### **Neovacs' first "Road Show" in New York**

At the occasion of the "French Biotech Day" organised by France Biotech, Neovacs presented itself over the course of a week to some twenty US investors, explaining its technology, clinical and preclinical portfolio, target market and key strengths over existing treatments in target pathologies. These meetings helped increase awareness of the company amongst American investors, and thus gave the company new prospects for partnerships and financing.

#### **Clinical study of TNFa Kinoid in rheumatoid arthritis**

Encouraged by positive results from the previous Phase I and IIa studies, at the end of 2013 Neovacs began enrolment of 140 patients for this study of effectiveness to be carried out in 40 centres in 10 European countries. The enrolment of patients was completed in 14 weeks, confirming the interest amongst both patients and doctors for a new therapeutic pathway in this indication.

Given the good tolerance to the product, the independent monitoring body (DSMB) has twice unanimously recommended continuation of the study.

The results of this study should be known before year end.

#### **Preparation of Phase IIb study of INFa Kinoid in Lupus**

The results obtained by Neovacs in the Phase I/IIa, trials together with the validation of the target Interferon in other clinical studies carried out by major pharmaceuticals companies, have convinced the company to carry out a Phase IIb effectiveness trial as soon as possible.

This initiative has also been supported by results obtained internally and published during EULAR in Paris in June 2014.

Clinical batches for this study are now being prepared. The protocol has been submitted for validation by an expert committee. Some 240 patients, from Europe, Asia and South America, will be included.

#### **Identification of four preclinical projects**

In the spring of 2014, Neovacs decided to resume preclinical activity in AMD and solid tumour indications for VEGF-Kinoid, chronic infectious diseases with TNFa-Kinoid and in allergies by targeting cytokine IL4. The aim is to identify the project or projects which can be taken forward to the clinical development phase.

#### **About Neovacs**

Neovacs is a 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 six patent families that run until at least 2023) Neovacs is focusing its development efforts on two active immunotherapies: TNF-Kinoid is being developed for the treatment of TNF-mediated autoimmune diseases such as rheumatoid arthritis and Crohn's disease, whereas IFN $\alpha$ -Kinoid is being developed for the indication of lupus. Neovacs is also conducting preclinical works on IFN $\alpha$ -Kinoid in certain chronic viral infections, VEGF-Kinoid in Age-related Macular Degeneration (AMD) and solid tumors, and IL-4-Kinoid for the treatment of 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, visit [www.neovacs.fr](http://www.neovacs.fr)

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