PRESS RELEASE • PRESS RELEASE • PRESS RELEASE

TNF-Kinoid® in rheumatoid arthritis: Publication of promising initial results in the TNF-K-003 Phase IIa clinical trial:

- Initial results in rheumatoid arthritis, the third indication targeted by Neovacs®
- Confirmation of the TNF-Kinoid®'s good safety profile and its ability to induce an immune response, including in patients who have lost response to an anti-TNF biologic.
- Very promising initial efficacy results
- Complete results expected in December 2011

Paris, 26 October 2011- Neovacs® (Alternext Paris : ALNEV), a biotech company focused on an active immunotherapy technology platform (Kinoids) with applications in the treatment of autoimmune and inflammatory diseases and cancer, today announced promising results achieved in the first 24 rheumatoid arthritis patients included in the Phase IIa study conducted with TNF-Kinoid®. These initial results confirm the very good safety profile of the TNF-Kinoid®, its ability to induce an immune response in patients and provide evidence of promising clinical efficacy.

"More and more patients with rheumatoid arthritis are losing response to TNF inhibitors and this represents a real challenge for physicians. These first clinical data from the TNF-K-003 study, with an ACR20 response in over 50% of patients raising an anti-TNF immune response and a sharp drop in CRP are very encouraging and promising. They confirm what we saw in the preclinical models. »said Professor Marie-Christophe Boissier, Head of Rheumatology at the Avicenne Hospital in Bobigny, France.

The TNF-K-003 study in rheumatoid arthritis (RA) is a double-blind, randomized, placebo-controlled study conducted in 40 patients. The results announced today relate to the first 24 patients, who received the first two dose levels of the TNF-Kinoid®: 6 patients received the 90mcg dose, 12 the 180mcg dose and 6 the placebo.

The results of the remaining 16 patients, of whom 12 have received the 360mcg dose and 4 the placebo will be known in December.

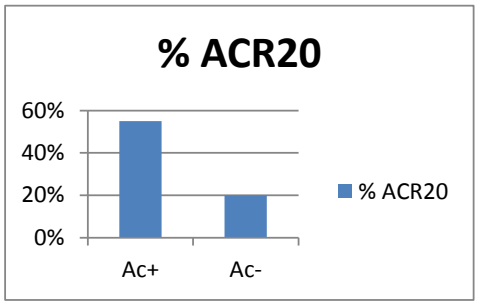
Promising initial results

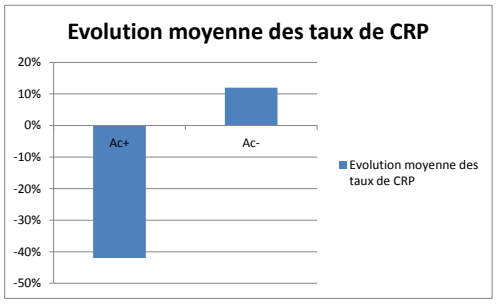
Today's results highlight the very good safety profile of the TNF-Kinoid® and its ability to induce antibodies to TNF in RA patients who have become resistant to biologic TNF inhibitors. No patient withdrew from the study because of an adverse event, and no serious adverse event related to the Kinoid was recorded. The immune response data measured at two months is also very positive: at the 90mcg dose, 50% of patients developed antibodies to TNF, whereas for the 180mcg dose the corresponding figure was 80%, which suggests a dose-response effect.

Initial efficacy data

Initial clinical efficacy data has been collected, based on a study design that tracks the development of RA symptoms, in particular looking at ACR20*, a 20% decline in a composite disease index established by the American College of Rheumatology. A second measure is the change over time in C-reactive protein (CRP), a marker of inflammation.

In the 11** patients who developed measurable antibodies to TNF up to day 84, 55% saw a decline of at least 20% in their ACR score (ACR20), versus only 20% in the group of 10 patients without antibody to TNF:





On average, the level of CRP fell by 42% in patients who developed antibodies to TNF, versus an increase of 12% in patients without anti-TNF antibodies.

Commenting on these first results in rheumatoid arthritis, Guy-Charles Fanneau de La Horie, CEO of Neovacs® said: *"Today's results bring important additional supporting clinical data, which strengthen the validation of the Kinoid technology. They confirm the safety and immunogenicity data obtained with the TNF-Kinoid® in Crohn's Disease, as well as with the IFNα-Kinoid in lupus".*

Pierre Vandepapelière, Vice-President of Clinical Development noted: *"These first clinical efficacy data are promising: as of day 84, we see a trend in those patients who have raised an antibody response to TNF following administration of the TNF-Kinoid® both in terms of an improvement in the symptoms of rheumatoid arthritis, as well as a decline in CRP, an important marker for inflammation. The full analysis of all 40 patients in the study is planned for the end of the year, which will allow us to define more fully the impact of the TNF-Kinoid® on RA in patients who have developed resistance to biologic TNF inhibitors and thus need an effective therapeutic alternative. "*

*ACR20: An improvement of at least 20% in the painful joint count, the swollen joint count and in three other symptomatic measures of RA, together making up the composite ACR index.
**: In three patients the ACR score was not calculated at Day 0 and/or Day 84

A high level of unmet medical need in patients who have lost response to at least one TNF inhibitor

It is important to note that the patients enrolled in this study had lost response to at least one TNF inhibitor, and some had failed two or even three. This resistant patient population is growing rapidly as a function of this phenomenon of loss of response over time. Consequently, it is estimated that, by 2012, the number of patients taking a second or subsequent biologic TNF inhibitor will exceed the number taking their first (Source *Datamonitor)*. As a result, this represents a significant unmet medical need.

Recap of the TNF-K-003 study protocol

TNF-K-003 is a Phase IIa study conducted by Neovacs® in rheumatoid arthritis, testing the TNF-Kinoid® in patients who have received at least one TNF inhibitor prior to their enrollment in the study. The study was placebo controlled and double-blind. The initial design called for the recruitment of up to 48 patients, but the immunogenicity of the 90mcg dose appeared inadequate and hence the size of the cohort receiving this dose was reduced from 16 to 8 patients, making the study population as a whole 40 patients.

The primary endpoint of the TNF-K-003 study is the selection of a dose and administration schedule to be tested in a subsequent Phase IIb study. Clinical efficacy is a secondary endpoint.

This study is part of the TRACKER project, conducted in partnership with bmd and financially supported by Oséo.

About Neovacs®

Neovacs® is a biotechnology company focused on an active immunotherapy technology platform (Kinoids™) with applications in autoimmune diseases and other chronic conditions. Neovacs® proprietary technology, protected by five patent families, aims to induce a polyclonal immune response from the patient's own immune system targeting an over-expressed cytokine. Neovacs®' current portfolio consists of 2 drug candidates which are being tested in clinical studies: TNF-Kinoid® and IFNα-Kinoid. The company's lead immunotherapy program (TNF-Kinoid®) targets TNF-mediated chronic inflammatory diseases. For TNF-Kinoid®, a Phase I/II clinical trial in Crohn's disease has been completed and Phase II trials in rheumatoid arthritis (RA) and Crohn's Disease are ongoing. The RA clinical study is also the focus of collaboration with the French diagnostics company BMD, with the goal of developing theranostic tools for personalized care in RA. IFNα-Kinoid® is being developed for the treatment of lupus.

For more information, visit the Neovacs® website at www.neovacs.com

Contacts:

Press – MS&L
Audrey Saluzzo
+33 (0)1 58 47 78 56
audrey.saluzzo@mslgroup.com

Neovacs®
Florence Hocdée - Leroy
+33 (0) 1 53 10 93 14
fhocdeeleroy@neovacs.com

Investisseurs – Actifin
Nicolas Meunier
+ 33 (0) 1 56 88 11 11
nmeunier@actifin.fr