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Initial results of the phase I/II clinical trial in Lupus patients The second Neovacs® drug candidate is validated: IFN α -Kinoid

Paris, 8th April 2011 - Neovacs® (Alternext Paris: ALNEV), a biotech company focused on an active immunotherapy technology platform (Kinoids) with applications in the treatment of autoimmune diseases, inflammatory diseases and cancer, today published the initial results of the phase I/II study with IFN α -Kinoid in Lupus patients. These results, very promising, are presented today at the 8th European Lupus Meeting in Porto.

The results presented today highlight the good safety, the immunogenicity and the pharmacodynamic of the IFN α -Kinoid

By way of reminder, the IFN-K-001 Phase I/II study is a double-blind, placebo-controlled, dose-escalation design testing four different IFN α -Kinoid dose levels. All patients recruited have mild to moderate lupus, defined as a SLEDAI¹ score of between 4 and 10. The main endpoints of the trial are the safety and tolerance of the IFN α -Kinoid, its capacity to induce an antibody response to IFN α , the evolution of clinical disease scores (such as SLEDAI) and biomarkers for disease activity, including the interferon signature which measures changes in the activity of genes that are overexpressed in Lupus. The promising results presented today relate to the first three dose groups (30, 60 or 120 mcg of the Kinoid), comprising in total 20 patients. Results for the highest dose group of 8 patients at 240 mcg (including 2 placebo patients) are currently collected and analyzed.

Across all the patients recruited in the first three dose cohorts, there has been no significant adverse event associated with the Kinoid, no unusual infection, and no patient has dropped out. This demonstrates the favourable safety profile of the product at these dose levels.

The IFN α -Kinoid is highly immunogenic:

Antibodies to IFN α have been induced in 80% (12 of 15) patients treated with the Kinoid. This very good score highlights the clear induction of an immune response with the IFN α -Kinoid. As expected, no immune response to IFN α was detected in the 5 placebo patients.

The interferon signature: an important biomarker

The use of gene signatures has become an important tool to identify the genes implicated in diseases and to measure the impact of therapies. A number of research teams, notably in the United States, have identified the interferon signature as a potentially important biomarker in lupus.

Significant reduction in interferon signature in patients treated with the IFN α -Kinoid:

It was possible to conduct the interferon signature analysis in 18 of the 20 patients included in this interim analysis. Of these 18 patients, 11 had a positive interferon alpha signature on study entry: 8 were treated with the Kinoid and 3 received the placebo. The Kinoid-treated group experienced a sharp reduction in interferon signature, demonstrating a significant down-regulation of genes associated with IFN α . The pharmaco-genomic activity of the IFN α -Kinoid is very encouraging because it shows that the antibodies to IFN α induced by Kinoid administration have a strong biological activity. The interferon gene signature will be included as one of the endpoints to be studied in later stages of development of the product. The median SLEDAI score declined in all the groups.

“These good preliminary results highlight further the Kinoid technology concept, as being a promising new therapeutic strategy to treat serious and chronic autoimmune diseases. At the doses tested, we have seen clear

¹ Systemic Lupus Erythematosus Disease Activity Index

evidence of safety associated with a significant pharmacogenomic effect. This is another clinical validation of our kinoid technology platform” commented Guy-Charles Fanneau de La Horie, CEO of Neovacs®. He added: “we are very proud to have delivered what we announced during the initial public offering; we now have two products in clinical development, which have been validated by the most advanced technologies. We are very happy to continue further the development of our two products in three major indications.”

About lupus

Systemic Lupus Erythematosus (SLE) is an autoimmune disease in which the immune system produces antibodies to cells within the body leading to widespread inflammation and tissue damage. Prevalence estimates vary widely, and range as high as 1.5 million in North America (the Lupus Foundation of America) and 5 million worldwide. The Centers for Disease Control estimates a prevalence between 322,000 and one million with definite or probable SLE in the US. Lupus disease may first occur at any age, though peak diagnosis is between the ages of 15 and 40. It is far more common in women than men. People with SLE may experience fatigue, pain or swelling in joints, skin rashes, and fevers. It can also affect the lungs, kidneys, and blood vessels. There has been no new treatment approved for lupus for over fifty years. Scientists have highlighted the overproduction of the interferon alpha cytokine as a key factor in the causation and development of the disease.

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 3 drug candidates: TNF-Kinoid, IFNα-Kinoid and VEGF-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. Patient recruitment is complete in a Phase I/II trial of Neovacs®’ second product candidate (IFNα - Kinoid, an immunotherapy targeting interferon alpha) in the treatment of lupus.

Neovacs® has recently announced a capital increase amounted to €2.25 million. Debiinnovation, part of the Swiss group Debiopharm has invested €1 million in Neovacs® shares at €4 per share; In addition, two of Neovacs®’ historical institutional investors, Truffle Capital and OTC Asset Management, have decided to subscribe for a total of €1.25 million also at €4 per share.

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

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