



Press Release

Poxel Launches a Capital Increase to Raise Approximately €25 Million

Lyon, France, July 12, 2016 – POXEL S.A. (Euronext – POXEL - FR0012432516), a biopharmaceutical company focused on the development of innovative treatments for type 2 diabetes (“**Poxel**”, or the “**Company**”), today announced the launch of a capital increase of new ordinary shares without preferential subscription rights reserved for a category of investors.

Poxel is seeking to raise approximately €25 million.

The Company intends to use the net proceeds from this capital increase as follows:

- To initiate and progress the Phase 3 Imeglimin program in Japan.
- The remainder, if any, for working capital and other general corporate purposes.

Net proceeds are expected to provide the Company with a cash runway to early 2019, exclusive of any costs associated with funding a Phase 3 program for Imeglimin outside of Japan.

Key upcoming milestones of programs currently funded include:

- Japan Phase 2b Imeglimin data results are anticipated during the first half of 2017.
- PXL770 is currently in a Phase 1 study and a Phase 2a proof-of-concept study is anticipated to be conducted in 2017.

The capital increase will be carried out without shareholders' preferential subscription rights. Pursuant to Article L. 225-138 of the French Commercial Code (*Code de commerce*), it will be reserved to a category of investors defined in the 6th resolution of the General Shareholders' Meeting dated 29 January 2016, i.e. (i) to individual or legal entity or UCITS who customarily invest in the pharmaceutical sector or in growth securities listed on a regulated market or multilateral trading facilities or (ii) to a credit institution or investment service provider. The issue price of new ordinary shares will have a maximum discount of 20% to the volume weighted average share price of the Company's shares listed on the regulated market of Euronext Paris during the 20 last trading days preceding the determination of the issue price.

Application will be made to list the new ordinary shares on the regulated market of Euronext Paris. A listing prospectus comprising the 2015 Reference Document (*Document de Référence*) of the Company registered with the French *Autorité des Marchés Financiers* (“**AMF**”) on 13 June 2016 under number R. 16-053 and a Securities Note (*Note d'Opération*), including a summary of the prospectus, will be submitted to the visa application with the AMF. The attention of the public is drawn to the risk factors section that will be presented at section 2 of the listing prospectus.

Simultaneously with the determination of the final terms and conditions of the capital increase, the Company will enter into a lock-up agreement ending 90 calendar days after the date of the pricing of the offering, subject to certain customary exceptions. All executives and directors and certain other existing shareholders of the Company have also signed lock-up agreements with regard to the Company's shares that they hold, for the same period, subject to certain customary exceptions.

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The capital increase is being conducted by Jefferies International Limited, acting as Global Coordinator and Joint Bookrunner, Oddo & Cie acting as Joint Bookrunner and Oppenheimer & Co. acting as Lead Manager.

The final terms of the private placement will be announced as soon as practicable.

About Poxel SA

Poxel uses its development expertise in metabolism to advance a pipeline of drug candidates focused on the treatment of type 2 diabetes. We have successfully completed our Phase 2 trials for our first-in-class lead product, Imeglimin, which targets mitochondrial dysfunction, in the U.S. and EU and have entered Phase 2b clinical development in Japanese patients. We are advancing our second program, PXL770, a direct AMPK activator, which is in Phase 1 development. We intend to generate further growth through strategic partnerships and pipeline development. (Euronext: POXEL)

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Important Notice

This press release contains certain forward-looking statements. Although Poxel believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those anticipated in such forward-looking statements.

For a discussion of risks factors which are likely to have a material effect on Poxel's business, please refer to the Risk Factors section of Poxel's Reference Document, which is available on the AMF website (www.amf-france.org) and on Poxel's website (www.poxel.com).

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