*Press Release*

# Poxel Closes a €26.5 Million Capital Increase Poxel Raises €26.5 Million through a Capital Increase with European and US Investors

**Lyon, France, 13 July 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 successful completion of a capital increase of 3,400,000 new ordinary shares reserved for a category of investors in the United States and Europe, for a total amount of €26.5 million. Jefferies International Limited acted as Global Coordinator and Joint Bookrunner, Oddo & Cie acted as Joint Bookrunner and Oppenheimer & Co. acted as Lead Manager.

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

- Proceeds will be used 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.

"This offering broadens our European and US shareholder base and includes leading healthcare investors. We believe the success of this financing reflects the progress we have made advancing the Company and our clinical programs, Imeglimin and PXL770," said Thomas Kuhn, CEO of Poxel. "The proceeds from this financing will enable the Company to advance the Phase 3 program for Imeglimin in Japan in 2017, which we believe is a key value driver for the company. Japan is the second largest single market for type 2 diabetes with approximately $4 billion in annual sales and growing."

**Key characteristics of the offering**

The capital increase, authorized by the Board of Directors on 12 July 2016, was reserved for subscription to a category of investors defined by the 6th resolution of the Shareholders' General Meeting held on 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 Company issued 3,400,000 new ordinary shares, each with a par value of EUR 0.02, representing 17% of the share capital of the Company. Following settlement and delivery of the offering, which is expected to occur on or about 18 July 2016, subject to customary conditions, the total issued share capital of the Company will be 22,931,228 shares.

The new ordinary shares were placed at a price of €7.80 per share, corresponding to a discount level of 18% to the 20 trading day volume weighted average price preceding pricing, accordingly with the 6th resolution of 29 January 2016 EGM. This also corresponds to a 13% discount to the 5 trading day volume weighted average price preceding pricing.

On an illustrative basis, a shareholder holding 1% of Poxel's capital before the offering will now hold a stake of 0.85%.

The new ordinary shares bear current dividend eligibility and will be admitted to trading on the regulated market of Euronext Paris under the ISIN code FR0012432516.

Poxel has agreed to a lock-up on the shares of the Company for a period of 90 calendar days starting on the date of settlement and delivery, 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.

A listing prospectus comprising the 2015 Reference Document (*Document de Référence*) of the Company registered with the *Autorité des Marchés Financiers* ("**AMF**") on 13 June 2016 with the number R. 16-053, and a Securities Note (*Note d'Opération*), including a summary of the prospectus has been prepared and will be submitted for approval to the AMF. The attention of the public is drawn to the risk factors section that will be presented at section 2 of the Securities Note.

**Update of the Company's corporate presentation**

An update of the Company's corporate presentation dated July 2016, with a presentation of the Company's activities, including the progress status of preclinical and clinical programs, is now available on the Company's website.

**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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