



Press Release

Poxel Closes a €26.5 Million Capital Increase

Lyon, France, July 18, 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 closing of a capital increase of 3,400,000 new ordinary shares without preferential subscription rights reserved for a category of investors for a total amount of €26.5 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.

The capital raise was subscribed by prominent institutional investors in the United States and in Europe.

“We are very pleased with the successful completion of this financing which broadens our strong international investor base in the US and Europe,” commented Thomas Kuhn, CEO of Poxel. “The proceeds of this offering will allow us to initiate and progress the Phase 3 clinical development program for Imeglimin in Japan, which is a tremendous market opportunity with approximately \$4 billion in annual sales, and growing. We continue to believe that Imeglimin, with its differentiated product profile, has the potential to be an important new treatment option for patients in Japan and the global type 2 diabetes market.”

A securities note (Note d'Opération) has been granted AMF visa n°16-317 on July 13, 2016 and is available on the AMF's website and Poxel's website.

Admission of the new shares

As of today, the new shares are entitled to current dividend rights and are immediately fungible in existing shares. The new shares will be admitted to trading on the Euronext Paris under ISIN FR0012432516 – POXEL as of Monday, July 18, 2016.

The share capital of the Company is now 458,624.56 euros, composed of 22,931,228 shares with a nominal value of €0.02.

Reminder of the main terms of the share capital increase

The Company placed 3,400,000 new shares with a par value of €0.02, at a price of €7.80 per share, including share premium, for a total amount subscribed of approximately €26.5 million, representing approximately 17% of the share capital of the Company.

The issue price of the new shares represented a discount of 18% from the weighted average price of the Company's shares on the regulated market of Euronext Paris during the twenty trading days preceding pricing and of 13% from the weighted average share price during the five trading days preceding pricing.

On an illustrative basis, a shareholder holding 1% of the Company's share capital before the issuance will now hold a stake of 0.85% after the transaction.

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Availability of the Prospectus

A prospectus including the 2015 Reference Document of the Company (*Document de Référence*) registered with the Autorité des Marchés Financiers ("**AMF**") on June 13, 2016 with the number R.16-053 is available on the AMF's website and on the Company's website.

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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