PRESS RELEASE

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# Genticel becomes "Genkyotex": Genticel's General Meeting approves the strategic combination with GenKyoTex SA

Genticel (Euronext Paris & Brussels: FR00011790542 – GTCL), a biotechnology company developing innovative immunotherapies (the "**Company**"), and GenKyoTex SA, a privately-held Swiss biopharmaceutical company and the leader in NOX therapies, announce that, at today's Ordinary and Extraordinary General Meeting, Genticel's shareholders approved the resolutions implementing the strategic combination between the two companies pursuant to the contribution agreement signed on December 22, 2016, as well as the change in the Company's name from "Genticel" to "Genkyotex".

This transaction will result in the creation of a listed Franco-Swiss company called "Genkyotex" whose activity is principally devoted to the development of a pipeline of NOX inhibitors, a new therapeutic class in fibrosis and inflammatory pain.

Elias Papatheodorou is the Company's new CEO while Benedikt Timmerman, former Chairman of the Management Board, is Deputy CEO responsible for overseeing the existing partnership with Serum Institute of India Private Ltd (Serum Institute).

Benedikt Timmerman, Genticel's founder, says: "*We are particularly pleased with the resounding approval for this project given by our shareholders. I would like to thank them for their support and the trust they have continually placed in us throughout our development through to the implementation of this strategically-important transaction for the company. They are now shareholders of Genkyotex (ex-Genticel), the parent company of a leading group in a new class of first-in-class drugs that will create long-term value.*"

Elias Papatheodorou, the Company's new CEO, adds: "*The substantial support given to this strategic transaction delights and compels us. It will allow us to resolutely pursue the development of our unique therapeutic approach, which is based on the selective inhibition of NOX enzymes. Following this operation, our strengthened cash position will enable us to advance quickly out the clinical development of our pipeline of NOX enzyme inhibitors that can become the first representatives of this new therapeutic class. Our lead product candidate, GKT831, a NOX1 and NOX4 inhibitor for fibrotic diseases, is expected to enter a phase II clinical trial in primary biliary cholangitis (PBC, an orphan fibrotic disease) during H1 of 2017. Our second product candidate, GKT771, a NOX1 inhibitor targeting multiple pathways in angiogenesis, pain processing and inflammation, should enter a phase I clinical study during the second half of this year.*"

## Terms of the successful operation

The Company's General Meeting held today approved (i) the contribution by all the GenKyoTex SA shareholders to Genticel of the 5,262,133 ordinary shares they hold in GenKyoTex SA representing 100% of its share capital and voting rights, pursuant to the terms and conditions of the contribution agreement signed on December 22, 2016, and (ii) the issuance by the Company of 62,279,951 new shares to GenKyoTex SA's shareholders in remuneration of the contribution of their shares. These shareholders thus received 11.8355 Genticel shares for each GenKyoTex SA share contributed. This exchange parity was agreed between Genticel and GenKyoTex SA's shareholders on the basis of a real value of EUR 120,000,000 for GenKyoTex SA and EUR 30,000,000 for Genticel, as foreseen in the contribution agreement.

As a result of the contribution transaction, GenKyoTex SA's former shareholders now hold 80% of the share capital and voting rights of Genkyotex (ex-Genticel).

Admission to trading on the Euronext Paris and Euronext Brussels regulated markets of the new shares issued by the Company in remuneration of the contribution in kind will become effective on March 2, 2017.

The shares listed on these markets will trade under the name Genkyotex with ticker "GKTX" from March 2, 2017, as soon as trading begins on the Euronext markets in Paris and Brussels.

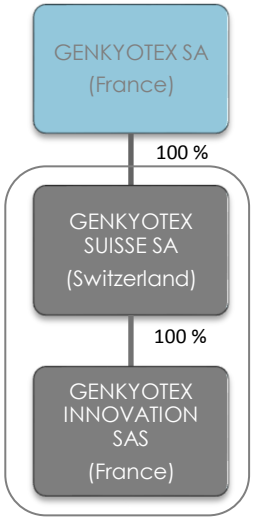
These new shares will be fully fungible with existing Genticel shares, and will trade on the stock market under the following ID:

Name: **Genkyotex**
Ticker: **GKTX**
ISIN: **FR0011790542**
Markets: **Euronext Paris and Euronext Brussels**

## The new group's organization chart

From today, the Company's corporate name and trading name ("Genticel" prior to the General Meeting) is "Genkyotex". To avoid the risk of confusion between Genkyotex (ex-Genticel) and GenKyoTex SA (which, following the contribution transaction, is now a Swiss subsidiary of Genkyotex), the latter's corporate name will become "GenKyoTex Suisse SA" as soon as it is filed within the Geneva commercial register, which is expected in early March 2017.

The new group's legal structure will therefore be as follows:




## Governance

The Company's General Meeting that met today having also approved the change in the corporate management structure, the Company henceforth has a Board of Directors.

Subsequently, the functions of the Company's Supervisory Board and Management Board came to an end following today's General Meeting, which approved the composition of the new group's Board of Directors as follows:

- Mr. Claudio Nessi, director
- Mr. Ilias (Elias) Papatheodorou, director
- Eclosion 2 & Cie SCPC, represented by Mr. Jesus Martin Garcia, director
- Edmond de Rothschild Investment Partners, represented by Mr. Gilles Nobécourt, director
- Mrs. Catherine Moukheibir, director
- Mrs. Mary Tanner, director
- Mr. Stéphane Verdood, censor
- Mr. Joseph McCracken, censor

The Company's Board of Directors, which met for the first time following today's General Meeting, notably decided to appoint Claudio Nessi as Chairman of the Board of Directors, Elias Papatheodorou as Chief Executive Officer and Benedikt Timmerman as Deputy Chief Executive Officer, in charge of monitoring the relationship with Serum Institute.

## Information available to the public

The minutes of the Company's General Meeting held today will be made available, within the statutory timeframe, on the Company's new website, www.genkyotex.com, in the "Investors / Shareholders Area / General Meetings" section.

Copies of **Document E**, registered with the financial market authority (AMF) on January 31, 2017 under reference number E.17-004, may be obtained free of charge on request at the Company's head offices, 516, rue Pierre et Marie Curie, 31670 Labège, France. Document E is also available on the Company's new website (www.genkyotex.com, "Investors / Contribution project" section) and the AMF website (www.amf-france.org).

The Company draws investors' attention to the risk factors pertaining to the Company and its new subsidiary, GenKyoTex Suisse SA, and to the contribution transaction described in sections 3.1.2.1, 5.3.1.5 and 3.2 of Document E (and, in particular, to the risk described in section 3.2.1 of Document E relating to the significant dilution of the Company's shareholders resulting from the contribution transaction). The occurrence of all or part of these risks is liable to have a negative impact on the Company and its GenKyoTex Suisse SA subsidiary's activity, financial situation or results, or their ability to meet their targets.

## About Genkyotex (*ex-Genticel*)

*Genkyotex is a leading biopharmaceutical company in NOX therapies. Listed on the Euronext Paris and Euronext Brussels markets, Genkyotex is established in France and, via its GenKyoTex Suisse SA subsidiary, in Switzerland. A leader in NOX therapies, its unique therapeutic approach is based on a selective inhibition of NOX enzymes that amplify multiple disease processes such as fibrosis, inflammation, pain processing, cancer development, and neurodegeneration.*

*Genkyotex's platform enables the identification of orally available small-molecules that selectively inhibit specific NOX enzymes. Genkyotex is developing a pipeline of first-in-class product candidates targeting one or multiple NOX enzymes. The lead product candidate, GKT831, a NOX1 and NOX4 inhibitor is expected to enter a phase II clinical trial in primary biliary cholangitis (PBC, an orphan fibrotic disease) during the first half of 2017. This product candidate may also be active in other fibrotic indications. Its second product candidate, GKT771, is a NOX1 inhibitor targeting multiple pathways in angiogenesis, pain processing, and inflammation, and should enter a phase I clinical study during the second half of 2017.*

*Genkyotex also has a versatile platform, Vaxiclase, that is particularly well-suited to the development of various immunotherapies. A partnership covering the use of Vaxiclase as an antigen per se (GTL003) has been established with Serum Institute of India Ltd (Serum Institute), the world's largest producer of vaccine doses. This agreement covers territories outside the United States and Europe, and could generate up to $57 million in revenues for Genkyotex, before royalties on sales. It will enable Serum Institute to develop acellular multivalent combination vaccines against a variety of infectious diseases, including whooping cough. The last preclinical milestone foreseen in the agreement was reached in November 2016, opening the path to formal preclinical testing prior to potential clinical development and subsequent commercialization.*

*Following the realization of the aforementioned contribution transaction, the Company's main shareholders are Eclosion, EdRIP, Vesalius, Neomed, Biomedinvest and VI Partners.*

***For further information, please go to*** *www.genkyotex.com*

***Forward-looking statements related to Genkyotex (ex-Genticel)***

*This press release may contain forward-looking statements, including discussions of a proposed business combination and related potential benefits. Such statements are based upon the current beliefs and expectations of Genkyotex' management and are subject to risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements, due to various factors. Without being exhaustive, such factors include uncertainties involved in the development of Genkyotex's products, which may not succeed, or in the delivery of Genkyotex's products marketing authorizations by the relevant regulatory authorities and, in general, any factor that could affects Genkyotex's capacity to commercialize the products it develops. Genkyotex disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information or future events and except as required by law.*

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