Press release

GeNeuro Reports 2017 Full-Year Results and Provides Corporate Update

- Robust cash position of €26.6 million, due to continued rigorous operational execution and cash consumption management
- Net Loss strongly decreased from €14.1 million to €5.8 million
- Successful 12-month results in neuroprotection for Phase 2b Multiple Sclerosis trial confirmed the pHERV-W env causal role. Next developments expected by end 2018
- Top-line results from Phase IIa Type 1 Diabetes trial expected end Q3 2018

Geneva, Switzerland, 3 April 2018 – 6:00pm CEST – GeNeuro (Euronext Paris: CH0308403085 – GNRO), a biopharmaceutical company developing new treatments for autoimmune diseases, including multiple sclerosis (MS) and Type-1 Diabetes (T1D), today reported its full-year results for the year ended December 31, 2017 and provided a corporate update.

"*The continued successful operational execution and rigorous management of our cash consumption have enabled us both to receive the second milestone payment of €12 million from our partner Servier by year-end 2017 and to maintain cash consumption within target, resulting in a robust cash position. This will enable us to continue the various clinical programs we have launched,*" **said Miguel Payró, Chief Financial Officer of GeNeuro.**

"*The final 48-week results from the CHANGE-MS Phase IIb trial of GNbAC1 in multiple sclerosis, released on March 26, 2018, are a significant success for GeNeuro as the positive impact of GNbAC1 on neuroprotection markers opens a novel therapeutic perspective for multiple sclerosis. These results demonstrate the role played by pathogenic HERV-W protein in patients affected by multiple sclerosis and support the concept of altering the neurodegenerative course of multiple sclerosis by treating, for the first time, a causal factor of the disease. They were a key anticipated milestone and we are already working on the next development stages in this indication together with our partner Servier,"* **stated Jesús Martin-Garcia, CEO of GeNeuro.** *"These clinical results also support GeNeuro's efforts to develop this approach in other HERV-related diseases such as Type 1 Diabetes, CIDP and ALS. By targeting a potential cause of these diseases, we hope to open a new, safe and effective therapeutic pathway for patient."*

PRODUCT DEVELOPMENT HIGHLIGHTS SINCE JANUARY 1, 2017

Multiple Sclerosis

GNbAC1, GeNeuro's most advanced therapeutic candidate, is a humanized monoclonal antibody that neutralizes pHERV-W env, a pathogenic that has been identified in brain lesions of patients with MS, particularly in active lesions.

Fully financed by the €362.5 million[1] partnership signed with Servier in 2014, in which Servier is involved in the development and potential commercialization of GNbAC1 in MS in territories ex USA and Japan, GeNeuro has now successfully completed the CHANGE-MS European Phase IIb trial in patients with remitting relapsing multiple sclerosis (RRMS), and has published the final 48-week results on March 26, 2018. The data showed that GNbAC1 administration had a significant and consistent positive impact on key neuroprotection markers known to be linked to disease progression. Achieving these positive Phase 2b results through the neutralization of pathogenic HERV-W protein supports its causal role in the neurodegenerative mechanisms of MS. This is the first time that the benefit of a treatment targeting endogenous retrovirus protein is shown in a

[1] *Maximum value, excluding royalties, dependent on achieving development milestones.*

clinical trial. At the same time, GNbAC1 continued to show an excellent safety and tolerability profile throughout the study.

ANGEL-MS, the second Servier-funded clinical trial in multiple sclerosis, recorded a 93% conversion rate from the 270 patients in the ongoing CHANGE-MS Phase IIb trial who were given the opportunity to continue their treatment for an additional two years. This study aims to provide additional efficacy and tolerance data.

Type 1 Diabetes

In parallel with these developments in multiple sclerosis, GeNeuro launched in April 2017 a Phase IIa clinical trial of GNbAC1 in type I diabetes. The study will evaluate this therapeutic candidate in 60 recently diagnosed adults. This study is now fully recruited, on schedule, and interim results at 6 months are expected at end Q3 2018; in order to generate more data for this new indication, GeNeuro has also launched a 6-month extension for this study.

Other diseases

In February 2017, GeNeuro entered into a Cooperative Research and Development Agreement (CRADA) with U.S. National Institutes of Health (NIH) to develop novel therapeutic antibodies for the treatment of amyotrophic lateral sclerosis (ALS). Results from this pre-clinical study are expected during the second half of 2018.

GeNeuro has also received an Orphan Drug Designation from the FDA for GNbAC1 in Chronic Inflammatory Demyelinating Polyradiculoneuropathy (CIDP). GeNeuro will now start discussions with the FDA for the design of a proof of concept Phase 2 clinical study in this indication.

KEY FINANCIALS 2017

The Board of Directors of GeNeuro reviewed and approved the financial statements for the twelve-month period ended December 31, 2017. The Statutory Auditors have conducted a review of the annual consolidated financial statements.

GENEURO Consolidated Income Statement (in thousands of EUR)	**31/12/2017 12 months *audited***	**31/12/2016 12 months *audited***
Income	14,948.8	5,917.5
Research and development expenses		
Research and development expenses	(17,523.2)	(14,937.9)
Subsidies	1,361.8	518.8
General and administrative expenses	(4,596.5)	(5,535.2)
Other Income	69.2	-
Operating loss	**(5,739.9)**	**(14,036.8)**
Net loss for the period	**(5,837.2)**	**(14,103.3)**
	31/12/2017	**31/12/2016**
Basic losses per share (EUR/share)	**(0.40)**	**(1.02)**
Diluted losses per share (EUR/share)	**(0.40)**	**(1.02)**

Income amounted to €14.9 million in 2017, compared to €5.9 million in 2016. This reflects accounting recognition of the €29.5 million milestone payments paid to GeNeuro by Servier as part of the CHANGE-MS

Phase IIb clinical trial of GNbAC1. The strong increase recorded in 2017 is attributable to the completion of this Phase IIb clinical trial in December 2017, with the last visit of the last patient.

Research & Development expenses increased by €2.6 million, or 17%, in 2017, mainly due to a €0.9 million increase in clinical trial costs (primarily Phase IIb in MS and Phase IIa in T1D) and to a €0.9 million increase in R&D payroll expense, reflecting the personnel hires that took place during 2017. As for expenses incurred by the Servier-funded ANGEL-MS clinical study, which totaled €7.1 million in 2017 compared to €0.3 million in 2016, they were fully recharged to Servier and deducted from research & development expenses.

General and administrative expenses decreased by €0.9 million in 2017 compared with 2016, which was affected by €1.8 million in IPO expenses. Excluding this, G&A expenses increased by €0.9 million, mostly due to €0.6 million in professional fees primarily due to the Company's new public company status (notably investor relations and audit fees); payroll expenses only increased by €0.1 million compared to 2016.

Cash and cash equivalents amounted to €26.6 million at December 31, 2017, compared to €34.5 million at December 31, 2016. This decrease is due to the Company's loss as it pursues its clinical development and was significantly offset by the €12 million milestone payment received from Servier in December 2017. The Company's reported cash consumption (i.e., cash outflow from operating activities, given the low level of capital expenditures and investment in intangible assets) was €7.6 million for 2017, compared to reported cash consumption of €14.2 million for 2016. Adjusted cash consumption, which excludes the favorable impact of Servier's advances designed to finance the ANGEL-MS study and the €12.0 million milestone payment received from Servier in 2017, was €23.1 million, compared to €18.0 million in 2016; this increase is consistent with the higher level of clinical trials during 2017 and is also in line with the Company's expectations. Due to the CHANGE-MS study's completion, the Company's adjusted cash consumption in 2018 will be lower than in 2017, and will focus primarily on the continuation of the T1D clinical trial and of its general research and development program. The Company's cash position is funded until 2019.

Business Outlook

GeNeuro's priorities for 2018 remain the development of its clinical and scientific research programs:

- **Build on the successful CHANGE-MS Phase IIb clinical trial** results to advance the Company's program in multiple sclerosis with its partner Servier;
- **Prepare the clinical development of GNbAC1 in the United States**, a market to which GeNeuro retains full rights in multiple sclerosis under its agreement with Servier. The clinical development of GNbAC1 in the United States remains a priority;
- **Continue clinical development of GNbAC1 in other indications**. Topline results from the Phase IIa study in Type 1 Diabetes are expected in September 2018; and
- **Capitalize on the CHANGE-MS results supporting the concept of altering autoimmune diseases by targeting causal factors.** The CHANGE-MS clinical results support GeNeuro's efforts to develop this approach in other HERV-related diseases such as Chronic Inflammatory Demyelinating Polyradiculoneuropathy (CIDP), psychosis and Amyotrophic Lateral Sclerosis (ALS, in partnership with the US National Institutes of Health [NIH]).

About GeNeuro

GeNeuro's mission is to develop safe and effective treatments against neurological disorders and autoimmune diseases, such as multiple sclerosis and Type 1 Diabetes, by neutralizing causal factors encoded by HERVs, which represent 8% of human DNA.

GeNeuro is based in Geneva, Switzerland and has R&D facilities in Lyon, France. It has 30 employees and rights to 16 patent families protecting its technology.

For more information, visit: www.geneuro.com

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