Press release

GeNeuro Reports 2016 Full-Year Results and Provides Corporate Update

- Robust cash position of €34.5 million, due to rigorous cash consumption management, delivered slightly below forecasts
- Business strategy executed in line with the announced schedule
- Top-line results from Phase IIb multiple sclerosis trial expected early Q4 2017

Geneva, Switzerland, 27 April 2017 - 6:30pm CEST – GeNeuro (Euronext Paris: CH0308403085 – GNRO), a biopharmaceutical company developing new treatments for autoimmune diseases, including multiple sclerosis (MS), today reported its full-year results for the year ended December 31, 2016, and provided a corporate update.

"*The rigorous management of our cash consumption kept it slightly lower than we had anticipated at the mid-year point, resulting in a robust cash position of €34.5 million. This will comfortably enable us to continue the various clinical programs we have launched,*" said Miguel Payró, Chief Financial Officer of GeNeuro.

"*Top-line results from the Phase IIb trial of GNbAC1 in multiple sclerosis, which we expect to release early in the fourth quarter of this year, are a key anticipated milestone. By targeting a potential cause of the inflammation and the neurodegeneration characteristics of this disease, we hope to open a new, safe and effective therapeutic pathway for patients,"* added Jesus Martin-Garcia, Chairman and Chief Executive Officer of GeNeuro.

PRODUCT DEVELOPMENT HIGHLIGHTS SINCE JANUARY 1, 2016

GNbAC1, GeNeuro's most advanced therapeutic candidate, is a humanized monoclonal antibody that neutralizes MSRV-Env, a pathogenic protein linked to both the inflammatory and neurodegenerative mechanisms of multiple sclerosis.

Fully financed by the €362.5 million partnership signed in 2014 with Servier, GeNeuro is conducting the CHANGE-MS European Phase IIb trial in patients with remitting relapsing multiple sclerosis (RRMS), after recruitment was completed in late 2016, several months ahead of the initial schedule.

GeNeuro has also set up ANGEL-MS, a second Servier-funded clinical trial in multiple sclerosis. This extension study will give 260 patients in the ongoing CHANGE-MS Phase IIb trial the opportunity to continue their treatment for an additional two years, providing additional efficacy and tolerance data.

In parallel with these developments in multiple sclerosis, GeNeuro launched in April 2017 a Phase IIa clinical trial of GNbAC1 in type I diabetes. This study will evaluate this therapeutic candidate, which targets a potential cause of type I diabetes, in 60 recently diagnosed adults.

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).

KEY FINANCIALS 2016

The Board of Directors of GeNeuro reviewed and approved the financial statements for the twelve-month period ended December 31, 2016. The Statutory Auditors have conducted a review of the annual consolidated financial statements.

GENEURO Consolidated Income Statement (in thousands of EUR)	31/12/2016 12 months *Subject to a limited review*	31/12/2015 12 months *Subject to a limited review*
Operating revenues	5,917.5	2,539.3
Research and development expenses		
Research and development expenses	(14,937.9)	(5,615.2)
Subsidies	518.8	649.9
General and administrative expenses	(5,535.2)	(1,896.7)
Operating income (loss)	**(14,036.8)**	**(4,322.7)**
Net (loss) for the period	**(14,103.3)**	**(4,487.2)**

	31/12/2016	31/12/2015
Basic earnings (losses) per share (EUR/share)	**(1.02)**	**(0.37)**
Diluted earnings (losses) per share (EUR/share)	**(1.02)**	**(0.37)**

Operating revenues amounted to €5.9 million in 2016, up from €2.5 million last year. These revenues reflect the €17.5 million milestone payment paid to GeNeuro by Servier in December 2015 as part of the ongoing CHANGE-MS Phase IIb clinical trial of GNbAC1. The increase was attributable to the launch of the Phase IIb clinical trial in late 2015, in accordance with IAS 18 paragraph 14.

Research & Development expenses increased in 2016, largely as a result of the costs of the Phase IIb trial. Following its launch in late 2015, recruitment was finalized in December 2016, ahead of the initial schedule. Another less significant factor behind the increase was the ramp-up in the Company's research program. These two factors gave rise to an €8.4 million increase in research and development expenses (including €2.75 million in production costs for GNbAC1, which will cover the needs of the Phase II trials in both MS and other indications), and a €1.0 million rise in R&D personnel expenses. The expenses incurred by the Servier-funded ANGEL clinical study, which will give patients participating in Phase IIb two years' additional treatment, with the Company acting as an agent, are passed on in full to Servier and recorded as a reduction in research & development expenses, which amounted to €310 thousand in 2016.

General and administrative expenses also increased in 2016 compared with 2015. The €1.8 million in IPO expenses and the further additions to GeNeuro's teams, which led to a €1.2 million rise in personnel expenses, were the main factors contributing to this increase.

Cash and cash equivalents amounted to €34.5 million at December 31, 2016, compared with €18.6 million at December 31, 2015. This increase reflects to a large extent the impact of GeNeuro's April 2016 IPO on Euronext's regulated market in Paris, which raised net proceeds of €31.4 million. This was partially offset by the €14.2 million in cash used in operating activities and the €750 thousand allocated to the liquidity agreement entered into with Gilbert Dupont.

To recap, GeNeuro's IPO was supported by Institut Mérieux and Servier, which subscribed for a total of €9.3 million in shares. Approximately 78% of the funds raised from new shareholders came from international investors, particularly from the United Kingdom and the United States.

All in all, cash consumption, excluding the IPO expenses and excluding the net amounts received from Servier to fund the new ANGEL-MS trial (enabling patients who are participating in the Phase IIb trial to receive two years' additional treatment), came to €16.7 million, compared with the €17 million forecast in September 2016.

Business Outlook

In line with the strategy presented in connection with the IPO, GeNeuro's priorities for 2017 remain the development of its clinical and scientific research programs:

- **Complete the CHANGE-MS Phase IIb clinical trial** to demonstrate GNbAC1's efficacy in over 260 patients with remitting relapsing multiple sclerosis. Release intermediate six-month results is expected early in the fourth quarter of 2017.

- **Launch 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 is a priority. GeNeuro plans to launch a clinical trial in progressive forms of MS by year-end 2017.

- **Expand clinical development of GNbAC1 to other indications**, including type I diabetes, in which GeNeuro has launched a Phase IIa study in Australia, with results expected in the third quarter of 2018.

- **Capitalize on GeNeuro's HERV platform by developing other drugs to complement GNbAC1**. The growing number of scientific publications suggests that the various HERV families, such as HERV-W and HERV-K, could play a major role in other diseases. GeNeuro intends to develop another therapy to treat psychosis with an inflammatory component and, ultimately, to develop a platform providing new, potentially disruptive therapeutic options for numerous other indications associated with the various HERV families. The recent Cooperative Research and Development Agreement (CRADA) with U.S. National Institutes of Health (NIH) in amyotrophic lateral sclerosis (ALS) illustrates these efforts.

About GeNeuro

GeNeuro's mission is to develop safe and effective treatments against neurological disorders and autoimmune diseases, such as multiple sclerosis, 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 France at sites in Archamps, Haute-Savoie and in Lyon. It has 30 employees and rights to 16 patent families protecting its technology.

For more information, visit: www.geneuro.com

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