

## GeNeuro Reports 2018 Half-Year Results and Provides Corporate Update

- Robust cash position of €17.3 million as of June 30, 2018
- All clinical and research activities funded through 3Q2019

**Geneva, Switzerland, 20 September 2018 at 07:00pm CEST** – GeNeuro (Euronext Paris: CH0308403085 – GNRO), a biopharmaceutical company developing new treatments for neurological and autoimmune diseases, today reported its half-year financial results for the period ending June 30, 2018 and provided a corporate update.

### Key Financials

On September 20, 2018, the Board of Directors of GeNeuro reviewed and approved the financial statements for the six-month period ended June 30, 2018. The Statutory Auditors have conducted a review of the condensed consolidated interim financial statements. The half-year financial report in English is available in the Investors section on [www.geneuro.com](http://www.geneuro.com).

“The financial results for the first half of 2018 are fully in line with our expectations. Thanks to the completion of the CHANGE-MS clinical trial in multiple sclerosis, we have recognized as income the balance of the milestone payments received from our development partner and have thus recorded income of €7.3 million in the first six months, compared to €3.3 million in the same period last year. At the same time, the completion of this study has also led to a reduction of our R&D expenses, by €0.9 million, whilst our research tax credits have increased by €0.4 million. This has largely contributed to reducing our total operating loss to €2.4 million in the first half of 2018 compared to €8.0 million in the same period of last year,” said Miguel Payró, Chief Financial Officer at GeNeuro. “Our general and administrative expenses have also remained under control, with a €0.2 million reduction.”

<b>GENEURO</b> <b>Condensed Consolidated Income Statement</b> <b>(in thousands of EUR)</b>	<b>June 30, 2018</b> <b>6 months</b> subject to a limited review	<b>June 30, 2017</b> <b>6 months</b> subject to a limited review
<b>Income</b>	<b>7,348</b>	<b>3,279</b>
<b>Research &amp; Development expenses</b>	<b>(7,491)</b>	<b>(8,773)</b>
R&D expenses	<b>(8,585)</b>	<b>(9,445)</b>
Subsidies	<b>1,094</b>	<b>672</b>
<b>General &amp; administrative expenses</b>	<b>(2,319)</b>	<b>(2,508)</b>
<b>Other income</b>	<b>33</b>	<b>38</b>
<b>Operating loss</b>	<b>(2,429)</b>	<b>(7,964)</b>
<b>Net loss for the period</b>	<b>(2,337)</b>	<b>(7,982)</b>
<b>Basic loss per share (EUR per share)</b>	<b>(0.16)</b>	<b>(0.55)</b>
<b>Diluted loss per share (EUR per share)</b>	<b>(0.16)</b>	<b>(0.55)</b>

**Income** amounted to €7.3 million during 1H2018 vs. €3.3 million for the same period of last year. This corresponds to a €7.2 million revenue recognized by GeNeuro with respect to milestone payments received from Servier as part of the recently completed CHANGE-MS clinical trial for GNbAC1, up €4.2 million vs the comparable period of the prior year. This increase reflects the completion of this Phase 2b clinical trial, which has led to the recognition as income of the balance of the milestone payments received from our development partner Servier (for more details, please refer to note 9 of the notes to the Company's condensed consolidated half-yearly accounts).

**Research & Development** expenses decreased compared to the first half of 2017, both on a gross and a net basis. Before subsidies (research tax credits), R&D expenses decreased €0.9 million, reflecting the completion of the CHANGE-MS clinical trial, partly offset by higher costs for the type 1 diabetes trial that was in full swing during 1H2018, and the new Phase 1c trial testing the safety of higher doses of GNbAC1. Accordingly, costs of the CHANGE-MS phase 2b clinical trial, which was completed in March 2018, have declined to €3.5 million from €4.6 million during the first half of 2017. All other R&D costs were stable or down, including personnel expenses, which decreased slightly from €2.0 million to €1.8 million, reflecting the one-off nature of the 1H2017 closure costs of GeNeuro's secondary research site in Archamps, France.

**General and administrative** expenses also declined from €2.5 million in 1H2017 to €2.3 million in 1H2018, thanks to an across the board control on costs. Administrative personnel expenses was down from €1.1 million to €976 thousand and the only cost category that increased is professional fees, due to higher audit costs. Share-based payments were down from €237 thousand to €197 thousand.

The Company recorded a net loss of €2.3 million vs. €8.0 million in 1H2017, in line with management's expectations.

**Cash and cash equivalents** at June 30 2018 amounted to €17.3 million compared to €26.6 million at December 31 2017. The decrease is due to cash used in operations of €9.2 million.

## Business and Financial Outlook

GeNeuro continues to execute on its business strategy. In March 2018, it presented successful data from the CHANGE-MS Phase IIb clinical trial at 12 months, demonstrating a consistent positive impact on key neuroprotection markers associated with disease progression in MS. These positive results in relapsing remitting patients enable the development of GNbAC1 for all forms of MS, potentially as a monotherapy for patients with progressive forms of the disease, as well as in combination with existing drugs for relapsing forms. These results will be presented at theECTRIMS 2018 meeting held 10-12 October 2018 in Berlin, Germany.

On September 18, 2018, GeNeuro announced that GeNeuro has regained worldwide rights ex US and Japan to its lead compound GNbAC1 in multiple sclerosis from Servier. In 2014, Servier had acquired an option to license the development and commercialization of GNbAC1 for MS in all territories ex-US and Japan for €37.5 million, including the costs of Phase IIb. Servier made the decision to decline this option "based on R&D strategic reasons and international development priorities". GeNeuro, which had retained US rights, is currently engaged in partnering discussions regarding the development in the USA, and having regained global rights, will expand those discussions to new geographic territories and treatment combination options.

The Company continues the RAINBOW-T1D 12-month Phase 2a clinical trial in type 1 diabetes, and will present topline 6-month results before the end of September.

Other pre-clinical programs, notably in ALS (amyotrophic lateral sclerosis), where GeNeuro is in partnership with the US NIH, are expected to lead to results being presented before year-end 2018.

GeNeuro projects cash utilization to be roughly €19 million for the full year 2018, of which approximately €10 million in the second half of 2018. This forecast includes:

- Continuation of the type 1 diabetes study to its completion at 12 months, with final visit of the last patient expected by the end of 2018;
- Conclusion of the Phase 1c trial testing the safety of higher doses of GNbAC1;
- Termination of the Servier-funded ANGEL-MS extension study, by the end of 2018;
- Continuation of the Company's research and preclinical activities.

## About GeNeuro

GeNeuro's mission is to develop safe and effective treatments against neurological disorders and autoimmune diseases, such as multiple sclerosis or 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 28 employees and rights to 16 patent families protecting its technology.

For more information, visit: [www.geneuro.com](http://www.geneuro.com).

## Contacts

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