PRESS RELEASE

ELSALYS BIOTECH ANNOUNCES THE REGISTRATION OF ITS *DOCUMENT DE BASE* IN THE CONTEXT OF ITS PROPOSED INITIAL PUBLIC OFFERING ON THE PARIS EURONEXT GROWTH® MARKET

Lyon, FRANCE, 20 April 2018, ELSALYS BIOTECH, a new player in immuno-oncology, announces the registration of its *Document de Base* with the Autorité des Marchés Financiers (AMF) under the number I.18-019 as at 19 April 2018.

The registration of the *Document de Base* is the first step in the proposed initial public offering of ELSALYS BIOTECH on the Paris Euronext Growth® market, subject to market conditions and the granting of its visa on the Prospectus for this operation.

ELSALYS BIOTECH, at the heart of the new wave of immunotherapy

Today, immunotherapy is a highly dynamic market segment, and in particular its applications in immuno-oncology. Immunotherapy drug sales are estimated at $45 billion for 2025[1], including $30 billion as from 2020[2] in the sole market segment of immunomodulator antibodies in cancer.

The aim of ongoing research is to validate new mechanisms of action that are capable of combining with treatments that have already demonstrated a positive risk/benefit factor in many cancers in order to increase efficacy and to better identify patients who respond to each treatment.

The market is thus engaged in a new wave of innovation driven by combination therapies.

ELSALYS BIOTECH positions itself at the heart of this immunotherapy revolution, by developing antibodies against new therapeutic targets.

A portfolio of 5 novel proprietary antibodies

ELSALYS BIOTECH is currently pursuing 5 development programmes, either «first-in-class», unmatched in terms of their mechanism of action, or «best-in-class», with a risk/benefit ratio that is potentially higher than other products with the same mechanism of action.

This portfolio makes it possible to weigh up the development risks and to generate opportunities of value-creating industrial partnerships.

LEUKOTAC®, in the process of registration in an orphan indication, is the most advanced candidate in the portfolio. The strategy of ELSALYS BIOTECH is to obtain a conditional market authorisation by 2020 in Europe and by 2021 in the United States. It would be the first product registered in the indication of steroid-resistant acute graft-versus-host disease (SR-aGvHD) that causes over 4,000 deaths per year in Europe, which include more than 1,000 children.

Three other earlier programmes (ELB021, ELB031, ELB041), target cancer and more specifically the tumour microenvironment and one of the programs is being evaluated by a leader in the pharmaceutical industry.

The last programme of the portfolio, ELB011, coming from oncology research, was the subject of an agreement with THEA Laboratories in January 2018 concerning a licence option for an innovative treatment in the wet form of age-related macular degeneration (AMD) and other retinal vascular disorders. This antibody is expected to enter the clinic early 2021.

This first partnership in the field of ophthalmology, validates the therapeutic strategy of the Company and its ability to negotiate and implement structured industrial and commercial agreements.

LEUKOTAC®, a first drug on the doorstep of the market

LEUKOTAC® (inolimomab) is an anti-interleukin-2 receptor antibody (IL2) that inhibits the action of T lymphocytes that are at the origin of acute Graft-versus-Host Disease (aGvHD).

This drug has already been administered to over 2,300 patients, either in clinical trials, or for compassionate use.

In a recent pivotal phase III study conducted on 100 patients with steroid-resistant aGvHD, in an emergency situation, and when compared to an ATG treatment (anti-thymoglobuline), LEUKOTAC® demonstrated highly promising results both in terms of efficacy (37% increase in 1-year survival rate) and safety (very significant reduction in side effects).

LEUKOTAC® benefits from the support of many clinicians who observe two major advantages of the drug: it brings a real therapeutic benefit and, as it is well tolerated, it presents a low risk of worsening the condition of patients who are already weakened by the disease.

ELSALYS BIOTECH aims to obtain a conditional market authorisation (AMMc) for LEUKOTAC® in 2020 for Europe and marketing approval in the United States in 2021. As of end of 2018, the Company will submit a request for a cohort Temporary Use Authorisation (TUA) to the National Agency for Drug Safety (ANSM).

Proven know-how and a network of top-level partners

ELSALYS BIOTECH has developed an analysis methodology that enables it to systematically evaluate the potential application of each agent integrated into the portfolio.

This specific approach follows the principles of a new R&D model called «quick win/fast fail» that allows uncertainty to be reduced before late-stage clinical development.

The evaluation of new targets is part of the ELSALYS BIOTECH development model. Each target is selected according to its mechanism of action, its therapeutic potential and its competitive environment.

ELSALYS BIOTECH is strongly supported by academic and clinical research referents amongst which Inserm, the Léon Bérard cancer centre in Lyon, Institut Curie, and DKFZ, the German cancer research centre. This network of partners is a major asset for the implementation of its different drug development programmes.

Furthermore, Elsalys Biotech has an experienced and complementary team that covers the entire value chain, from sourcing targets to clinical development and commercialisation.

A value-creating strategy

Based on results obtained in each programme, ELSALYS BIOTECH determines the best value-creating strategy. In this way, it can favour licence agreements with pharmaceutical groups for products aimed at wide-ranging therapeutic indications or keep the control of clinical development and commercialisation for products addressing niche indications.

A company that already has the support of leading investors

Several leading industrial and financial investors have accompanied ELSALYS BIOTECH since its inception. TRANSGENE has supported the company from its creation like SOFIMAC INNOVATION, a French venture fund financing innovation.

In 2015, CREDIT AGRICOLE CREATION and INSTITUT MERIEUX, through its subsidiary IM EUROPE have joined them as ELSALYS BIOTECH shareholders.

An ambition: to be the first French company to register and market an immunotherapy drug

With the objective of obtaining a conditional market authorisation for LEUKOTAC® as early as 2020, and the first TUA sales expected in 2019, ELSALYS BIOTECH already has several short-term valuation milestones. The licence option agreement signed with THEA Laboratories on the ELB011 programme in the field of ophthalmology in January 2018, demonstrated its ability to rapidly conduct its value-creating strategy. Exercise of the licence option by THEA Laboratories could take place by year-end 2018.

Christine Guillen, CEO and co-founder of ELSALYS BIOTECH comments on the proposed IPO: *«Our proposed IPO on Euronext Growth® is part of our commitment to accelerate the development of our portfolio of novel proprietary antibodies. ELSALYS BIOTECH is ideally positioned to quickly bring to the market high value added programmes for the benefit of patients with high unmet medical needs in aGvHD, a rare and life-threatening disease, or in the field of immune-oncology that is undergoing a full revolution. Our model based on a rapid and differentiated approach of analysis of new therapeutic targets, the solid expertise of our teams and our network of top-level partners, allows us to envisage substantial growth potential and to achieve our ambition to be the first French company to register and market an immunotherapy drug.»*

[1] The immuno-oncology race: myths and emerging realities, Stephen Cavnar et al, Nature Review Drug Discovery, Vol 16, Feb 2017, 83-84
[2] Immune Checkpoint Inhibitors Market, 2nd edition 2015-2025 Citi Group

Find all the information regarding the ELSALYS BIOTECH IPO project on http://investir.elsalys.com

About ELSALYS BIOTECH

ELSALYS BIOTECH is a clinical stage immuno-oncology company that designs and develops a new generation of therapeutic antibodies that target tumors and their immune and/or vascular microenvironment. By modulating the action of immune cells (immunomodulator antibodies) or by blocking the mechanisms that promote tumor growth (targeted antibodies), ELSALYS BIOTECH intends to offer new options to patients for whom therapy is no longer an option.

To convert these novel targets into drug candidates, the Company relies on a world-class academic network, a team and an R&D platform that encompasses targets sourcing to clinical development and the commercialization of monoclonal antibodies derived from these targets. Today ELSALYS BIOTECH is conducting 5 proprietary development programs including LEUKOTAC® (inolimomab), an immunotherapy antibody that has recently demonstrated its clinical superiority in Phase 3 in an orphan disease with very poor prognosis: steroid-resistant acute Graft-versus-Host Disease.

Founded in 2013, ELSALYS BIOTECH is located in the heart of the European cluster LYON BIOPOLE. Its founding shareholders are TRANSGENE and SOFIMAC INNOVATION, joined in 2015 by the INSTITUT MERIEUX EUROPE and CREDIT AGRICOLE CREATION.

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Availability of the *Document de Base*

Copies of the *Document de Base* approved by the Autorité des Marchés Financiers (AMF) on 19 April 2018 with the number I.18-019 are available free of charge and on request from ELSALYS BIOTECH (headquarters: Immeuble Accinov 317 Avenue Jean Jaures, 69007 Lyon, France), and can be downloaded from the ELSALYS BIOTECH and AMF websites at www.elsalysbiotech.com and www.amf-france.org.

Risk factors

Investors are advised to carefully read the risks described in chapter 4 ("Facteurs de risque") of the *Document de Base* approved by the AMF and particularly the liquidity risk and the risk associated with historical losses and continuity of the company's operations.

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