Toulouse and Geneva, April 27th, 2017

GENKYOTEX PROVIDES BUSINESS UPDATE FOR Q1 2017

Cash & cash equivalents of €21.8 million as of March 31, 2017

Genkyotex (Euronext Paris & Brussels: FR00011790542 – GKTX), a biopharmaceutical company and the leader in NOX therapies, today provided a corporate update and announced its cash & cash equivalents and liquid investments position for the first quarter ended March 31, 2017.

Business highlights

- On February 28, 2017, the shareholders of Genticel approved the resolutions implementing the strategic combination between Genticel and GenKyoTex, pursuant to the contribution agreement signed on December 22, 2016 between Genticel and GenKyoTex' shareholders, as well as the change of the Company's name from "Genticel" to "Genkyotex" as from February 28, 2017. The shareholders also approved the appointments of:
  - Claudio Nessi, Ilias (Elias) Papatheodorou, Eclosion 2 & Cie SCPC, Edmond de Rothschild Investment Partners, Catherine Moukheibir, and Mary Tanner as board members; and
  - Stéphane Verdood and Joseph McCracken as board observers.
- On the same day, the board of directors of the Company appointed Claudio Nessi as Chairman of the Board, and Elias Papatheodorou as Chief Executive Office of the combined Company.

Clinical highlights

The Company is on track with the preparation for the initiation of its Phase 2 trial with GKT831 in primary biliary cholangitis (PBC). The trial is expected to begin by the end of the first half of 2017.

In addition, Genkyotex is pursuing the development of its second clinical candidate, GKT771, through ongoing IND enabling studies, and intends to initiate a Phase 1 clinical trial by the end of 2017, as planned.

Research highlights

Genkyotex also continues to explore the therapeutic value of NOX inhibition in oncology, hearing loss and Parkinson's disease. The Company seeks opportunities of non-dilutive grant financing to support the preclinical evaluation of drug candidates in these areas.

Financial highlights

As of March 31, 2017, Genkyotex's cash & cash equivalents was €21.8 million (vs. €26.7 million on December 31, 2016), in line with the Company's expectations. The cash position does not include the expected reimbursement of Research Tax Credit (*Crédit Impôt Recherche*) for 2016, which the company has estimated to be at about €3.0 million.

About Genkyotex

Genkyotex is the 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, a fibrotic orphan 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.

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

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This press release may contain forward-looking statements by the company with respect to its objectives. Such statements are based upon the current beliefs, estimates and expectations of Genkyotex's management and are subject to risks and uncertainties such as the company's ability to implement its chosen strategy, customer market trends, changes in technologies and in the company's competitive environment, changes in regulations, clinical or industrial risks and all risks linked to the company's growth. These factors as well as other risks and uncertainties may prevent the company from achieving the objectives outlined in the press release and 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. No guarantee is given on forward-looking statements which are subject to a number of risks, notably those described in the registration document filed with the French Markets Authority (the AMF) on 1 April 2015 under number R.15-015, as updated in the Document E filed with the AMF on 31 January 2017 under number E.17-004, and those linked to changes in economic conditions, the financial markets, or the markets on which Genkyotex is present. Genkyotex products are currently used for clinical trials only and are not otherwise available for distribution or sale.

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