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GENKYOTEX REPORTS DECEMBER 31, 2017 CASH POSITION AND PROVIDES BUSINESS UPDATE

- ***Cash, cash equivalents and liquid investments of €14.6 million as of December 31st, 2017, in line with Company's expectations***
- ***Phase 2 trial of GKT831 in Primary Biliary Cholangitis on track with interim results expected mid-2018***
- ***Patient enrollment continues for the Phase 2 trial of GKT831 in Diabetic Kidney Disease; Investigator-Initiated Study fully funded by Juvenile Diabetes Research Foundation Australia and Baker Institute***

Genkyotex (Euronext Paris & Brussels: FR00011790542 – GKTX), a biopharmaceutical company and the leader in NOX therapies, today reported cash, cash equivalents and liquid investments of €14.6 million, on December 31st, 2017.

Elias Papatheodorou, CEO of Genkyotex, comments: "*2017 was a productive year during which we laid important groundwork for Genkyotex's future milestones. From a clinical standpoint, we initiated a Phase 2 study with GKT831 in Primary Biliary Cholangitis (PBC), interim results of which are expected to be available in mid-2018, with final data anticipated by the end of 2018. Australian investigators also began enrolling patients in a Phase 2 study of GKT831 in diabetic kidney disease (DKD). This study is being fully funded by the Juvenile Diabetes Research Foundation (JDRF) Australia and the Baker Institute. These important clinical achievements have meaningfully advanced our company and brought us closer to achieving our goal of providing patients and physicians with a novel therapy for fibrotic diseases.*"

Financial highlights

On December 31st, 2017, Genkyotex's cash, cash equivalents and liquid investments amounted to €14.6 million vs. €15.3 million on September 30th, 2017, in line with the Company's expectations. The cash position includes the €2.4 million payment of the 2016 Research Tax Credit (*Crédit Impôt Recherche*) received on December 2017. The Company's cash burn was driven by investments in the ongoing phase 2 trial in PBC.

Clinical highlights

- Patient enrollment in the Phase 2 clinical trial of GKT831 in PBC is progressing as planned across a global network of investigational centers. A total of 102 patients will be enrolled in the study, and the Company expects interim results in mid-2018, and full results by the end of 2018.
- Patient randomization continues for the Phase 2 trial evaluating the safety and efficacy of GKT831 in patients with type 1 diabetes and diabetic kidney disease (DKD). This investigator-initiated Phase 2

trial is a placebo-controlled, double blind, randomized, parallel study to evaluate the effect of oral GKT831 on the urine albumin-to-creatinine ratio (UACR) in patients with persistent albuminuria despite treatment with optimal standard of care.

A total of 142 patients are planned to be enrolled into the study at up to 15 investigational centers in Australia. This trial is being led by world-renowned diabetes experts, Professor Mark Cooper, Head of Department of Diabetes at Monash University, and Professor Jonathan Shaw, Deputy Director (Clinical and Population Health) at the Baker Heart and Diabetes Institute in Melbourne, Australia. As a reminder, the Phase 2 trial is being fully funded by the JDRF Australia and the Baker Institute.

Research highlights

- Genkyotex is advancing the preclinical development of GKT771 and intends to submit a clinical trial application in 2018. GKT771 targets a number of important pathological processes, including angiogenesis, pain processing and inflammation.
- Genkyotex continues to explore the therapeutic value of NOX inhibition in oncology, hearing loss and Parkinson's disease, and to seek opportunities for non-dilutive grant financing to support the preclinical evaluation of drug candidates in these therapeutic areas. In January 2018, academic collaborators published three studies demonstrating the efficacy of GKT831 in models of diabetic eye and kidney diseases[1-3]. In 2018, the Company anticipates the publication of additional studies further validating the therapeutic potential of NOX inhibitors in various indications.

References

1. Appukuttan B et al. Effect of NADPH oxidase 1 and 4 blockade in activated human retinal endothelial cells. Clin Exp Ophthalmol. 2018 Jan 23. doi: 10.1111/ceo.13155. [Epub ahead of print]
2. Jeong BY, et al. TGF-β-mediated NADPH oxidase 4-dependent oxidative stress promotes colistin-induced acute kidney injury. J Antimicrob Chemother. 2018 Jan 9. doi: 10.1093/jac/dkx479. [Epub ahead of print]
3. Jeong BY et al. Oxidative stress caused by activation of NADPH oxidase 4 promotes contrast-induced acute kidney injury. PLoS One. 2018 Jan 12;13(1):e0191034. doi: 10.1371/journal.pone.0191034. eCollection 2018.

Upcoming financial publication

Genkyotex expects to publish its full-year 2017 financial results on February 28th, 2018.

About Genkyotex

Genkyotex is the leading biopharmaceutical company in NOX therapies, listed on the Euronext Paris and Euronext Brussels markets. 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 evaluated in a phase II clinical trial in primary biliary cholangitis (PBC, a fibrotic orphan disease) and in an investigator-initiated Phase II clinical trial in Type 1 Diabetes and Kidney Disease (DKD). 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, currently undergoing preclinical testing.

Genkyotex also has a versatile platform well-suited to the development of various immunotherapies (Vaxiclase). 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, for the development by Serum Institute of cellular multivalent combination vaccines against a variety of infectious diseases. This partnership could generate up to $57 million in future revenues for Genkyotex, before royalties on sales.

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

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