



NEW THERAPEUTICS FOR AGING DISEASES

[Press release](#)

Biophytis secures funding for phase 2B clinical trial in Sarcopenia, SARA-INT

- Completes €3.7 million private placement
- Arranges a bond financing of €15 million

Paris, 4th April 2017, 7:30am – BIOPHYTIS (Alternext Paris: ALBPS), a biotechnology company specializing in the development of drug candidates to treat diseases of ageing, announced that it has gathered funding to conduct its phase 2b SARA-OBS/SARA-INT clinical study aimed at testing its leading product, Sarconeos, for the treatment of sarcopenia. First, a capital increase subscribed by several private investors among which Bracknor Fund, and the management, of an amount of €3.7 million was completed by issuing 1,310,431 new shares at a price of €2.85 per share. Secondly, a line of funding that could reach €15 million was set up with Bracknor Fund in the form of 1,500 note warrants for *Bonds Redeemable in Cash or New or Existing Shares (ORNANE)*, at a par value of €10,000 each, combined with Share Subscription Warrants (BSAs), together referred to as ORNANEBSA.

Stanislas Veillet, CEO of Biophytis, stated: *“We are delighted to announce this transaction, which ensures that Biophytis will have the means to fund the clinical development plan of its pipeline in age-related diseases. With regards to Sarconeos, our drug candidate to treat sarcopenia, we have secured the financing of the interventional phase 2b clinical trial, SARA-INT, which follows the observational phase currently underway, SARA-OBS. Regarding Macuneos, our drug candidate to treat age-related macular degeneration, we will be conducting the MACA-PK pharmacokinetic clinical study and prepare the MACA-INT phase 2 clinical study. The operation combines a placement underwritten by international investors and the management, and a line of bondholder funding, guaranteed and flexible, arranged with Bracknor Fund, perfectly suited to our needs. This operation is finally a sign of confidence of the investors in our science and our products, for the benefit of patients suffering from sarcopenia or macular degeneration.”*

Pierre Vannineuse, CEO of Bracknor Fund, stated: *“The entry into this long term partnership with Biophytis, in these unprecedented conditions for Bracknor, is the result of years of monitoring and consideration. We are extremely proud to finance Biophytis, which is bringing real answers to a demographic reality. Beyond this innovative investment, this is about an investment in the future of humanity.”*

Main characteristics of the capital increase through private placement

Legal framework

The capital will be increased via the issuance of new shares without shareholders' preferential subscription rights, pursuant to Article 225-136 of the French Commercial Code (by private placement of up to 20% of the share capital).

The Company's Board of Directors approved this capital increase in its meeting of April 3rd, 2017, applying the delegations granted by the General Shareholders Meeting of June 10th, 2016, under the thirteenth resolution.

Pursuant to Article 211-3 of the AMF's general regulations, this offer of financial securities did not result in a prospectus subject to AMF approval.

Number of securities issued and dilution

The capital increase consists of 1,117,449 new shares at a price of €2.85 /share (85% of the volume weighted average price over the period from the 20th until the 31st of March 2017). Following this issuance of new shares, the number of shares outstanding is 7,340,950.

Impact on a shareholder's 1% stake in the Company's capital prior to the operation	Non-diluted basis	Diluted basis
Before issuance of 1,117,449 new shares	1.00	0.87
After issuance of 1,117,449 new shares	0.85	0.75

Main characteristics of the capital increase reserved for the management

Legal Framework

This capital increase is an issuance of new shares without shareholders' preferential subscription rights, pursuant to Article 225-138 of the French Commercial Code (to the benefit of categories of persons).

The Company's Board of Directors approved this capital increase at its meeting of April 3rd, 2017, applying the delegations granted by the General Shareholders Meeting of June 10, 2016, under the tenth resolution.

Pursuant to Article 211-3 of the AMF's general regulations, this offer of financial securities did not result in a prospectus subject to AMF approval.

Number of securities issued and dilution

The capital increase consists in the issuance of 192,982 new shares at a price of €2.85/share (85% of the volume weighted average price over the period from the 20th until the 31st of March 2017). After the issuance of the new shares, the number of shares outstanding is 7,533,932 shares.

Impact on a shareholder's 1% stake in the Company's capital prior to the operation	Non-diluted basis	Diluted basis
Before issuance of 1,244,700 new shares	1.00	0.87
After issuance of 1,244,700 new shares	0.85	0.75
After issuance of 192,982 new shares	0.83	0.74

Main characteristics of ORNANEBSA

Today, Biophytis issued 1,500 ORNANEBSA note warrants. ORNANE are bonds redeemable in cash or convertible in existing or new shares. Together combined with warrants : ORNANEBSA. Note warrants were fully subscribed by Bracknor Fund.

Bracknor Fund undertakes to exercise the warrants for 36 months, at Biophytis' request, through successive tranches of €3 million each (€15 million in total).

Legal framework

The issued securities will give access immediately or in the future to the Company's capital without shareholders' preferential subscription rights, for the benefit of a category of persons pursuant to Article L. 225-129 et seq. of the French Commercial Code.

The Company's Board of Directors approved this agreement in its meeting of April 3rd, 2017. The Company committed to issue two tranches of ORNANEBSA of an amount of €3M each (the first tranche will be drawn within 25 trading days following the capital increase, and the second tranche within 45 trading days following the first tranche); the 3 next tranches shall be subject to Board of Directors approval, in accordance with the delegations granted by the General Shareholders Meeting of June 10, 2016, under the tenth resolution.

This offer of financial securities did not result in a prospectus subject to AMF approval. The Company will notify shareholders of the ORNANEBSA note warrants exercises, and maintain an up-to-date reporting on its website summarizing note warrants, bonds, warrants, and shares outstanding.

Main characteristics of the ORNANEBSA note warrants

The 1,500 36-month note warrants require their holder to exercise them, at the Company's request, in tranches of 300 warrants each. Each warrant grants its holder the right to one (1) ORNANEBSA.

Note warrants may not be transferred and will not be subject to a request for admission to trading on the Alternext market.

Warrants will be detached immediately from ORNANE once ORNANEBSA are issued.

Main characteristics of the ORNANE

The ORNANE (Bonds) will have a par value of 10,000 euros. They will not bear interest and will have a 12-month maturity from issuance. Holders of ORNANE may request at any time to convert them during their maturity period, and at that time, the Company will be able to redeem the ORNANE in cash. At the end of the maturity period, and if the ORNANE have not yet been converted or redeemed, the holder will have to convert them.

The holder may ask to convert the ORNANE at any time at the conversion parity determined by the following formula: $N = V_n / (R \times P)$, where

- "N" is the number of shares yielded by the conversion,
- "V_n" is the par value of the ORNANEs, i.e., 10,000 euros,
- "R" is the conversion ratio, i.e., 0.92,
- "P" is the conversion price, i.e., the lowest volume weighted average price over the 15 trading days preceding the date on which conversion is requested.

On the day of the conversion request, the Company may redeem the ORNANE in cash using the following formula: $V = V_n / R$, where

- "V" is the amount redeemed to the holder.

ORNANE may be transferred by their holders only to Affiliates, and will not be subject to a request for admission to trading on the Alternext market.

Main characteristics of the warrants

The warrants shall be detached from ORNANE immediately. They may be transferred by their holders only to Affiliates, and will not be subject to a request for admission to trading on the Alternext market.

They may be exercised for a period of five (5) years as of their date of issuance. Each warrant will give its holder a right to subscribe one (1) new Biophytis share.

The strike price of the warrants will be calculated using the following formula: $P_e = 125\% \times P$, where

- "P_e" is the warrant strike price,
- "P" is the conversion price, i.e., the lowest volume weighted average price over the 15 trading days preceding the date on which exercise is requested.

The number of warrants to be issued upon the issuance of the ORNANEBSA will be such that, when multiplied by the warrants strike price (determined according to the terms and conditions below), the resulting amount is equal to 25% of the par value of the tranche according to the following formula:

$$n = (r \times V_n) / (125\% \times P), \text{ where}$$

- "n" is the number of warrants issued,
- "r" is the ratio of warrants issued as compared to the number of ORNANE, i.e., 25%,
- "P" is the conversion price, i.e., the lowest volume weighted average price over the 15 trading days preceding the date on which exercise is requested.

Number of securities and dilution

Based on the 7,533,932 shares outstanding following the completion of the private placement, and

based on an issuance, or conversion, or exercise on 3rd April 2017, i.e., a lowest volume weighted average price over the 15 trading days preceding the concerned date equal to €3.11.

Impact on a shareholder's 1% stake in the Company's capital prior to the operation	Non-diluted basis	Diluted basis
After private placement, before issuance of ORNANEBSAs	1.00	0.89
After issuance of 1,048,511 new shares resulting from the conversion of the first tranche of the ORNANE	0.88	0.80
After issuance of 1,048,511 new shares resulting from the conversion of the 1 st tranche of the ORNANE and issuance of 192,926 shares resulting from the exercise of the 1 st tranche of the warrants	0.86	0.78
After issuance of 5,242,555 new shares resulting from the conversion of all the ORNANE	0.59	0.55
After issuance of 5,242,555 new shares resulting from the conversion of all the ORNANE and issuance of 964,630 shares resulting from the exercise of all the warrants	0.55	0.52

Transaction Counsel:

Bookrunner:

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ABOUT SARCONEOS: Sarconeos is the first representative of a new class of drug candidates, based on the activation of the MAS receptor (major player of the renin-angiotensin system) stimulating anabolism in the muscle, inhibitor of myostatin and favoring muscle mass development in animal models of muscular dystrophies. Sarconeos is developed in the treatment of sarcopenia, an age-related degeneration of skeletal muscle and strength, leading to a loss of mobility in elderly people. This new pathology, for which no medical treatment currently exists, was first described in 1993 and just entered the WHO International Classification of Diseases (M62.84), affects more than 50 million people worldwide.

About MACUNEOS: Macuneos is a drug candidate against the dry form of AMD: AMD affects the central part of the retina, called the macula, causing severe visual impairment and irreversible loss of central vision beyond 60 years old. Macuneos protects retinal pigment epithelium: Biophytis has shown in animal models a protection of retinal cells against phototoxic effects of A2E in the presence of blue light (oxidative stress), a reduction in accumulation of A2E, and eventually a slowdown of the degenerative process of the retina.

About BIOPHYTIS:

Biophytis SA (www.biophytis.com), founded in 2006, develops drug candidates targeting diseases of aging. Using its technology and know-how, Biophytis has begun clinical development of innovative therapeutics to restore the muscular and visual functions in diseases with significant unmet medical need. Specifically, the company is advancing two lead products into mid-stage clinical testing next year: Sarconeos (BIO101) to treat sarcopenic obesity and Macuneos (BIO201) to treat dry age-related macular degeneration (AMD). The company was founded in partnership with researchers at the UPMC (Pierre and Marie Curie University) and also collaborates with scientists at the Institute of Myology, and the Vision Institute.

BIOPHYTIS is listed on the Alternext market of Euronext Paris (ALBPS; ISIN: FR0012816825).

For more information: <http://www.biophytis.com>

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BIOPHYTIS is eligible for the SMEs scheme



Disclaimer

This press release contains certain forward-looking statements. Although the Company believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those anticipated. For a discussion of risks and uncertainties which could cause the Company's actual results, financial condition, performance or achievements to differ from those contained in the forward looking statements, please refer to the Risk Factors ("Facteurs de Risque") section of the Listing Prospectus upon the admission of Company's shares for trading on the regulated market Alternext of Euronext Paris filed with the AMF, which is available on the AMF website (www.amf-france.org) or on BIOPHYTIS' website (www.biophytis.com).

This press release and the information contained herein do not constitute an offer to sell or a solicitation of an offer to buy or subscribe to shares in BIOPHYTIS in any country. Items in this press release may contain forward-looking statements involving risks and uncertainties. The Company's actual results could differ substantially from those anticipated in these statements owing to various risk factors which are described in the Company's prospectus. This press release has been prepared in 5 both French and English. In the event of any differences between the two texts, the French language version shall supersede.

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