Dear Shareholder,

On behalf of Poxel, I would like to thank you for your support as a shareholder. We continue to make significant progress in advancing the development of novel treatments for metabolic diseases, including type 2 diabetes and non alcoholic steatohepatitis (or NASH), with the goal of providing patients, their families, and physicians with new differentiated treatment options. We are looking forward to 2018 and believe it will be a transformative year for Poxel as we continue to advance the Imeglimin Phase 3 TIMES program in Japan with Sumitomo Dainippon Pharma, collaborate with Roivant Sciences for Imeglimin’s continued development in the U.S. and Europe and advance our second program, PXL770, into a Phase 2a proof-of-concept study in NASH. In addition, we are also considering options to further expand our pipeline in the metabolic disease area.

Poxel had been working very diligently to secure partnerships for the development and commercialization of Imeglimin for the treatment of type 2 diabetes. I am very pleased that our dedication and hard work led us to achieve two partnerships that cover the global diabetes markets. We believe that they represent very important validations of Imeglimin’s strong and differentiated clinical profile as well as of our internal capabilities to advance a program worldwide to a critical value inflection point.

We reported €91.6 million or $112.8 million in cash and cash equivalents as of March 31, 2018. We are well-funded, and our cash runway now extends to 2022 based on our current expectations, providing Poxel with significant opportunities to leverage our strong capabilities for the development of novel therapies to treat metabolic diseases.

We are very appreciative of your support as a shareholder and I am looking forward to providing you with further updates throughout the year.

Sincerely,
Thomas Kuhn
Chief Executive Officer

IMEGLIMIN | A first-in-class drug candidate for the treatment of type 2 diabetes
Importantly, our agreements will enable the Imeglimin Phase 3 registration program to progress worldwide

Two significant partnerships with premier pharmaceutical companies for Imeglimin

Corporate partnership with Sumitomo Dainippon Pharma signed in October 2017 for Japan, China, South Korea, Taiwan, Indonesia, Vietnam, Thailand, Malaysia, The Philippines, Singapore, Republic of the Union of Myanmar, Kingdom of Cambodia, and Lao People’s Democratic Republic.

Partnership with Roivant Sciences signed in February 2018 for the U.S., Europe, and other countries not covered in the Sumitomo Dainippon Pharma agreement.

Key highlights of Imeglimin partnerships

- Partnerships cover global diabetes markets
- Upfront payment of $92M (€76M) and potential of up to $857M* (~€705M*) in development, regulatory milestones and sales-based payments
- Escalating double-digit royalties on global net sales
- Phase 3 TIMES program is underway in Japan
  - First Imeglimin NDA submission is targeted for 2020
- Phase 3 program-related work for U.S./Europe underway in 2018
  - Manufacturing of drug product for use in the Phase 3 program
  - Clinical trials in chronic kidney disease patients with type 2 diabetes
  - Goal to initiate Phase 3 program in U.S./Europe in 2019
- Phase 3 in Japan, U.S., and Europe fully funded by Sumitomo and Roivant, respectively**

Note: * Converted at the exchange rate at the date of the agreement.
** Poxel will contribute $25M (~€20M) to the development program over a two-year period.
Japan, China and 11 other Asian countries

Our agreement with Sumitomo Dainippon Pharma covers Japan, China and 11 other Asian countries. Some key highlights of our partnership include:

1. They have extensive track record in late-stage development and commercialization with an established diabetes franchise including: Trulicity® ( dulaglutide), Metgluco® (metformin hydrochloride), Surepost® (Repaglinide) and Glimicron® (Gliclazide).

2. Imeglimin is an important program and it is the only diabetes clinical candidate that Sumitomo Dainippon Pharma has in development.

3. We are jointly developing Imeglimin in Japan and Sumitomo Dainippon Pharma is paying for Phase 3 and commercialization costs.

4. Sumitomo Dainippon Pharma will be solely responsible for Imeglimin development and commercialization in China and 11 other Asian countries.

5. The New Drug Application submission for Imeglimin in Japan is targeted for 2020.

The Imeglimin TIMES program

- Following the signing of the strategic corporate partnership with Sumitomo Dainippon Pharma at the end of October 2017, we initiated the Phase 3 Trials of Imeglimin for Efficacy and Safety (TIMES) 1 trial for Imeglimin in Japan at the end of 2017, as planned. We initiated the TIMES 2 and TIMES 3 trials during the first quarter of 2018 and are on track for the TIMES Phase 3 data read out in 2019.

- The Phase 3 TIMES program for Imeglimin for the treatment of type 2 diabetes in Japan consists of three pivotal trials involving approximately 1,100 patients. The TIMES program includes the following three trials that will be performed using the dose of 1,000 mg twice daily:

**TIMES 1**
A Phase 3, 24-week, double-blind placebo-controlled, randomized, monotherapy study to assess the efficacy, safety and tolerability of Imeglimin in Japanese patients with type 2 diabetes, using the change in HbA1c as the primary endpoint. Secondary endpoints of the trial will include other standard glycemic and non-glycemic parameters.

**TIMES 2**
A Phase 3, 52-week, open-label, parallel-group study to assess the long-term safety and efficacy of Imeglimin in Japanese patients with type 2 diabetes. In this study, Imeglimin will be administrated orally as a monotherapy or combination therapy with existing hypoglycemic agents, including a DPP4 inhibitor, SGLT2 inhibitor, biguanide, sulphonylurea and GLP1 receptor agonist.

**TIMES 3**
A Phase 3, 16-week, double-blind, placebo-controlled, randomized study with a 36-week open-label extension period to evaluate the efficacy and safety of Imeglimin in combination with insulin in Japanese patients with type 2 diabetes and inadequate glycemic control on insulin therapy.

U.S., Europe and other countries not included in the Sumitomo Dainippon Pharma agreement

For the U.S., Europe and other countries not covered in the Sumitomo agreement, we are very pleased to be working with Roivant Sciences. We have partnered with Roivant Sciences for a number of important reasons:

1. Similar to our partnership with Sumitomo, Imeglimin is a cornerstone program for Roivant. They are building a metabolic-focused therapeutic company called Metavant and Imeglimin will be an important and well-funded program.

2. We are confident that they can execute a Phase 3 development program for Imeglimin. They have over 500 employees across their family of companies and a very strong and experienced management team that has expertise in metabolic diseases and type 2 diabetes. The team comes from a mix of big pharma, biotech, finance, and academic institutions.

3. They are a well-funded global pharmaceutical company that has raised over $2.7 billion over the last 3 years from high quality blue chip investors. They completed the largest private financing ever announced in the healthcare industry in 2017, which was $1.1 billion.

4. They are well-known with highly-regarded partners from pharma, biotech and academic institutions, including Merck, GlaxoSmithKline, Takeda, AstraZeneca, Vertex, Eisai, Mount Sinai, Duke Medicine, Cincinnati’s Children, among others, as well as an extensive network of Key Opinion Leaders and consultants.

5. Under our agreement, we also have the potential to decide on a potential co-promotion prior to commercialization, which could be very important for the future strategic direction of Poxel.

Activities in 2018 in the U.S. and Europe for Imeglimin will include the manufacturing of drug supply for use in the Phase 3 studies and differentiation studies to confirm its potential in sensitive patient populations, such as those with kidney-related complications due to type 2 diabetes. The goal is to initiate a Phase 3 program in 2019.
PXL770 | A first-in-class direct adenosine monophosphate-activated protein kinase

In parallel with securing partnerships for the Phase 3 program for Imeglimin, we have also made significant progress in developing PXL770, a first-in-class direct adenosine monophosphate-activated protein kinase (AMPK).

Through its unique mechanism of action that directly activates AMPK, PXL770 acts on a very important biological target. This target has the potential to treat numerous chronic metabolic diseases, including diseases that affect the liver, such as NASH. This target is important because it has the potential to trigger benefits on the three key pathophysiology processes involved in NASH development:

- Liver steatosis
- Inflammation
- Fibrosis

The preclinical data that we have generated in NASH models is compelling and consistent with what we can expect from a product targeting AMPK activation. Pending successful completion of our ongoing Phase 1b multiple ascending dose trial, we are planning to initiate a Phase 2a proof-of-efficacy study in patients with non-alcoholic fatty liver disease (NAFLD), a condition in which fat builds up in the liver. NASH is a severe form of NAFLD. This proof-of-concept study is expected to begin during the second half of 2018.

**PXL770 DEVELOPMENT STRATEGY TO POC FOR NASH**

**PXL770 has the Potential to Treat the Underlying Roots of Metabolic Disorders, Including NASH**

- PXL770 is a direct and potent AMPK activator
- PXL770 improves liver metabolism:
  - Inhibits lipid production
  - Decreases liver fat mass
  - Decreases inflammation
- PXL770 improves adipose tissue metabolism:
  - Inhibits FFA production
  - Decreases inflammation
- PXL770 improves lipids fluxes:
  - Decreases plasma FFA and TGs
- PXL770 improves fibrosis

Notes: (1) Poster 081, World Congress on Insulin Resistance, Diabetes & Cardiovascular Disease, 19th–21st November 2015, Los Angeles, CA, USA; (2) Poster 724, Association européenne pour l'étude du diabète, 12–16 septembre 2016, Munich, Allemagne

PXL770 may be differentiated from other compounds in development for liver diseases since targeting AMPK activation has the potential to also treat NASH comorbidities, specifically targeting cardiovascular risk factors, such as hyperglycemia, insulin resistance, dyslipidemia, inflammation, and obesity.

In addition, we are exploring the potential to advance PXL770 in other metabolic diseases with significant unmet medical need.

**Development strategy**

In addition, we are also assessing further opportunities to leverage our internal capabilities in metabolism and to strengthen our pipeline. The opportunities could be in the form of collaborations, partnerships, acquisitions or other relationships with innovator companies who have complementary programs for treating metabolic diseases.
SEVERAL NEAR-TERM MILESTONES EXPECTED TO DRIVE SHAREHOLDER VALUE

IMEGLIMIN

2018
- Additional differentiation product profile data
- Imeglimin manuscripts published related to efficacy, safety and pharmacokinetics
- Oral presentation at ADA meeting (American Diabetes Association)

2019
- Phase 3 initiation in the U.S./Europe
- Phase 3 TIMES program completion

2020
- New Drug Application submission in Japan

PXL770

2018
- Mid-2018: Phase 1 multiple ascending dose study completion
- 2H 2018: Phase 2a proof of concept study initiation in NASH

2019
- 2H 2019: Phase 2a proof of concept results in NASH

EYP001

- Phase 1 program completion by Enyo Pharma

DEVELOPMENT STRATEGY

- In-licensing activities to strengthen pipeline focused on metabolic diseases

POXEL ON THE STOCK EXCHANGE

Listed on Euronext Paris since February 2015

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<tr>
<th>Ticker</th>
<th>POXEL</th>
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<tr>
<td>ISIN</td>
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<td>Market cap.</td>
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<td>Number of shares</td>
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<td>52 week trading range</td>
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*as of April 24, 2018

ANALYST COVERAGE

- Jefferies: Peter Welford
- Kepler Cheuvreux: Arsène Guekam
- Oddo: Sébastien Malafosse
- Oppenheimer & Co: Jay Olson

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SHAREHOLDER STRUCTURE

As of March 31, 2018

- Founders: 10%
- Roivant: 6%
- Bpifrance: 16%
- EDRIP: 18%
- Free Float: 50%

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