

Strategic refocusing on biopharmaceutical R&D

Increase by 30% to €6.1m in total constant scope turnover

- Management buy-out of Hybrigenics Services dedicated to proteomic services
- New visual identity and new web site dedicated to biopharmaceutical R&D
- Constant scope cash position of €8.8m as of December 31st, 2016

Paris, France, on March 13th, 2017 – Hybrigenics (ALHYG), a bio-pharmaceutical company listed on the Alternext market of Euronext Paris, with a focus on research and development of new treatments of proliferative diseases, today announces its strategic refocusing on biopharmaceutical R&D with the management buy-out of Hybrigenics Services, its subsidiary dedicated to proteomic services. Hybrigenics also publishes the total turnover and cash position of its constant 2016 perimeter which includes, in addition to Hybrigenics Services, the Helixio business unit in charge of genomic services and the research collaboration with Servier.

« The positive achievements of the last six months, in Research in the field of Ubiquitin-Specific Proteases as well as in Development with two ongoing clinical Phase II trials of inecalcitol in orphan adult leukemia, have naturally led Hybrigenics to concentrate its efforts and resources on biopharmaceutical R&D. It is a major refocusing for the company: its past dual services and R&D business model is being simplified for a clearer perception of its new profile of pure biotechnology therapeutic player, » said **Remi Delansorne, Hybrigenics' CEO**.

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Given the success of the research collaboration with Servier in the field of Ubiquitin-Specific Proteases, the launch of the Phase II clinical study of inecalcitol in Acute Myeloid Leukemia (AML) both in France and the United States, and the encouraging results of the Phase II clinical study of inecalcitol in Chronic Myeloid Leukemia (CML) in France, Hybrigenics will now concentrate its efforts on biopharmaceutical R&D.

In this strategic perspective, Hybrigenics S.A. has sold its controlling stakes in Hybrigenics Services S.A.S., its subsidiary dedicated to scientific proteomic services. The holding company named Biofiteam and regrouping Hybrigenics Services' CEO, Deputy CEO, six key managers and Mr. Albert Saporta, an independent Director of Hybrigenics S.A., has bought 75.8% of Hybrigenics Services' share capital for a total amount of €796,000, including €196,000 down payment and three earn-out payments of a maximum amount of €200,000 each depending on the net result levels achieved by Hybrigenics Services in 2018, 2019 and 2020.

An independent appraisal performed by YCC Audit & Conseil has resulted in a fairness opinion on the conditions of this sale. Hybrigenics S.A. retains 20% of Hybrigenics Services' capital. The 4.2% already owned by a few employees of Hybrigenics Services are not part of this transaction. A shareholders' agreement has also been signed among all Hybrigenics Services shareholders stipulating usual preemption, drag-along, tag-along, non-compete and, notably, a total exit right for Hybrigenics S.A. in case of partial or complete future sale of Hybrigenics Services to a third party. By contrast, no mechanism can force Hybrigenics to increase its 20% stake in Hybrigenics Services.



On the occasion of this refocusing, Hybrigenics unveils its new visual identity and launches its new web site (www.hybrigenics.com) exclusively dedicated to biopharmaceutical R&D and to corporate/investor information. The Helixio business unit in charge of genomic services (www.helixio.com) and Hybrigenics Services (www.hybrigenics-services.com) already have their own web site.

Increase by +30% to €6.1m in total constant scope turnover

Turnover (million euro)	Past perimeter ^a			New perimeter ^b		
	2016	2015	Δ	2016	2015	Δ
Services turnover	4.6	4.1	+12%	1.0	0.6	+67 %
Pharma R&D turnover	1.5	0.6	+150%	1.5	0.6	+150 %
Total	6.1	4.7	+30%	2.5	1.2	+108 %

^a Proteomic services of Hybrigenics Services + genomic services of the Helixio business unit + Pharma R&D

^b Genomic services of the Helixio business unit + Pharma R&D

In total, the turnover of the constant scope of Hybrigenics (Hybrigenics Services + Helixio + Pharma R&D) has reached in 2016 the historical high level of €6.1m, a +30% increase over 2015, mainly due to the €1.5m milestone payment received from Servier within the research collaboration on one ubiquitin-specific protease in oncology (cf. Hybrigenics' press release of October 11, 2016). To a lesser degree, the high growth (+€0.4m; +67%) of the scientific genomic services turnover achieved by the Helixio business unit has also contributed to the increase in total Hybrigenics' turnover. By comparison, the turnover of Hybrigenics Services, in charge of scientific proteomic services and which has just been sold to its key managers, has remained almost stable in 2016 at €3.6m (+3%) over €3.5m in 2015. According to IFRS 5 rules, the net result of this proteomic services activity will be presented on a separate line dedicated to "activities held for sale" in Hybrigenics 2016 consolidated accounts.

Constant scope cash position of €8.8m as of December 31st, 2016

On December 31st, 2016, the constant scope cash position of Hybrigenics amounted to €8.8m, a higher level than on June 30th, 2016 (€8.4m). As a reminder, the cash position on December 31st, 2015 was €11.7m. In the context of the sale of its controlling stakes of its subsidiary, Hybrigenics has set up a current account advance of €0.6m in favor of Hybrigenics Services, for a minimum duration of two years at the legal interest rate.

About Hybrigenics

Hybrigenics (www.hybrigenics.com) is a bio-pharmaceutical group listed (ALHYG) on the Alternext market of Euronext Paris, focusing its internal R&D programs on innovative targets and therapies for the treatment of proliferative diseases.

Hybrigenics' development program is based on inecalcitol, a vitamin D receptor agonist active by oral administration. Inecalcitol has been tested in chronic lymphocytic leukemia patients, an indication for which inecalcitol has received orphan drug status in Europe and the United States. Two clinical Phase II studies of inecalcitol are currently ongoing in chronic myeloid leukemia and acute myeloid leukemia. Oral inecalcitol has shown excellent tolerance and strong presumption of efficacy for the first-line treatment of metastatic castrate-resistant prostate cancer in combination with Taxotere[®], which is the current gold-standard chemotherapeutic treatment for this indication.

Hybrigenics' research program is exploring the role of enzymes called Ubiquitin-Specific Proteases (USP) in the balance between degradation and recycling of proteins called onco-proteins due to their involvement in various cancers. Hybrigenics is evaluating the interest of inhibitors of USP as anti-cancer drug candidates. Hybrigenics has collaborated with Servier on one particular USP in oncology. In this R&D program, two milestones have been reached and additional milestones may be achieved until registration of a potential drug.



Hybrigenics Pharma Inc., based in Cambridge, Mass., is the U.S. subsidiary of Hybrigenics.

Hybrigenics is listed on the Alternext market of Euronext Paris

ISIN: FR0004153930

Ticker: ALHYG



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Warning:

This press release contains certain forward-looking statements concerning Hybrigenics and its business. Such forward-looking statements are based on assumptions that Hybrigenics considers to be reasonable. However, there can be no assurance that the estimates contained in such forward-looking statements will be verified, which estimates are subject to numerous risks including the risks set forth in the reference document of Hybrigenics filed with the French Financial Markets Authority (Autorité des Marchés Financiers) under number R.15-076 on October 22, 2015 (a copy of which is available on www.hybrigenics.com) and to the development of economic conditions, financial markets and the markets in which Hybrigenics operates. The forward-looking statements contained in this press release are also subject to risks not yet known to Hybrigenics or not currently considered material by Hybrigenics. The occurrence of all or part of such risks could cause actual results, financial conditions, performance or achievements of Hybrigenics to be materially different from such forward-looking statements.

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