



The EIB and GeNeuro sign a EUR 25 million credit line backed by InvestEU to support clinical developments against long-COVID

- GeNeuro SA, through its R&D subsidiary in Lyon, GeNeuro Innovation SAS, and the European Investment Bank ("EIB") announce the signature of a loan for a total amount of EUR25 million.
- The first tranche of EUR 7million, available immediately, is intended to support the Phase 2 clinical trial in long-COVID. The other tranches of EUR10 million and EUR8 million are intended for the preparation and launch of Phase 3 respectively.
- Extension of GeNeuro's cash visibility to 3Q2024, including the first tranche of EUR 7 million.
- The EIB financing, backed by the European union's new InvestEU long-term investment programme, underlines the EIB's commitment to tackle long-COVID, a major public health problem worldwide affecting millions of people.

Geneva, Switzerland, March 7, 2023 – 07:30 CET - GeNeuro (Euronext Paris: CH0308403085 - GNRO), a biopharmaceutical company developing novel treatments for neurodegenerative and autoimmune diseases such as multiple sclerosis (MS), amyotrophic lateral sclerosis (ALS) and the severe consequences of COVID-19, (PASC, post-COVID or Long-COVID), announced today the signature of a credit agreement for a total amount of up to EUR 25 million with the European Investment Bank ("EIB"), supported by the InvestEU programme.

Jesus Martin Garcia, CEO of GeNeuro, said: *"We thank the EIB for this support to GeNeuro's personalized medicine approach against neuropsychiatric syndromes that affect millions of patients who have had COVID. This support demonstrates the authorities' growing concern about this serious public health problem. The first EUR 7 million of this funding contributes to the development of the Phase 2 clinical study in Long-COVID, the first results of which should be available by the end of this year."*

Ambroise Fayolle, vice-president of the European investment bank, added: *"After having supported the prophylactic vaccines and treatments for acute cases, EIB, through the financing of GeNeuro, will foster the development of therapeutics for Long-COVID. GeNeuro is one of the very first biotechs beneficiaries of the European Union's new InvestEU programme, which provides the EIB with additional resources. This transaction complements the cycle of COVID-19 related syndromes tackled by innovative European biotech companies that benefited from EIB support through its venture debt programme"*.

As a reminder, GeNeuro launched a Phase 2 trial at the end of 2022 that is evaluating the clinical efficacy of a six-month treatment with temelimab, the anti-W-ENV antibody developed by GeNeuro, on the improvement of cognitive impairment and/or fatigue in long-COVID patients who are positive for the presence of W-ENV protein in their blood. The W-ENV protein was observed in more than 25% of patients with persistent syndromes after having had COVID. This personalized medicine approach could, if the current clinical trial is successful, offer a therapeutic solution to millions of patients affected by long-COVID.

Principal terms and conditions of the credit agreement

The 25 million EUR credit facility is divided into three tranches: 7 million EUR for the first tranche ("Tranche A"), 10 million EUR for the second tranche ("Tranche B") and 8 million EUR for the third tranche ("Tranche C"). The disbursement of each of the tranches, including the first disbursement of Tranche A, is subject to certain conditions, the main ones of which are detailed below:

Tranche A:

- Issue of warrants with the EIB relating to Tranche A.

Tranche B:

- Full run of Tranche A,
- Issue of the warrants relating to Tranche B,
- Positive results from the Phase 2b clinical trial in long-COVID,
- Reaching 30 million EUR in cash, in the form of equity, license revenues or customer advances.

Tranche C:

- Full run of Tranche B,
- Issue of the warrants relating to Tranche C,
- Production contracts with two companies specialized in *Contract Manufacturing*
- Enrollment of the first patient in a Phase III clinical trial in long-COVID, or conditional marketing authorization of temelimab in this indication granted by Swissmedic, the EMA or the FDA,
- Generating 30 million EUR (in addition to the above-mentioned 30 million EUR) in the form of equity, licensing revenues or customer advances.

The three tranches will be available for 36 months from the signing of the Financing Agreement.

Interest rate: The credit agreement will have a fixed annual interest rate of 2% for each tranche as well as a declining capitalized interest rate per tranche, 7% for Tranche A, 5% for Tranche B and 2.5% for Tranche C, with a maturity of five years for each tranche. This interest will be capitalized annually, payable at maturity and incorporated in the nominal amount of the loan, and will therefore bear interest.

In certain circumstances, the credit may be prepaid, in whole or in part, at a fee, at the request of the Company or EIB following certain prepayment events, including a change of control or change of management of the Company.

Subject to certain conditions, upon the occurrence of standard events of default (e.g., payment default, misrepresentation, cross default), the EIB may require the Company to immediately repay all or part of the outstanding loan and/or cancel any undisbursed portion.

Terms and conditions of the agreement on the warrants that could lead to potential dilution

The credit agreement is complemented by a warrant agreement between GeNeuro SA and the EIB, representing 2.4% of GeNeuro SA's diluted share capital for Tranche A, 2.0% of GeNeuro SA's diluted share capital for Tranche B, and 1.3% of GeNeuro SA's diluted share capital for Tranche C. Taking into account the stock options existing today, if Tranche A of the warrants were issued today under the conditions currently proposed, the potential dilution represented by the underlying shares would be approximately 2.50% of the Company's current share capital.

The warrants will have a maturity of 7 years, renewable once. Each warrant will entitle EIB to acquire one common share of the Company in exchange for the exercise price (subject to anti-dilution provisions). The exercise price for each warrant will be equal to 95% of the volume-weighted average of the price of the Company's ordinary shares over the last twenty trading days preceding the decision of the competent body of the Company to issue such warrants. The EIB will have a put option, as soon as the warrants become exercisable, to request GeNeuro SA to repurchase all or part of the exercisable but not yet exercised warrants at their intrinsic value.

About GeNeuro

GeNeuro's mission is to harness the biology of HERVs to develop safe and effective treatments for patients by neutralizing the causative factors encoded by HERVs, which represent 8% of human DNA. GeNeuro is headquartered in Geneva, Switzerland, and has R&D facilities in Lyon, France. It has rights to 17 patent families protecting its technology.

For more information, please visit: www.geneuro.com



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About the European investment bank (EIB)

The European Investment Bank (EIB), established by the Treaty of Rome and founded in 1958, is the European Union's long-term financing institution and its shareholders are the 27 EU Member States. Its mission is to contribute through its lending to the integration, balanced development and economic and social cohesion of the EU. It borrows large volumes of funds on the capital markets and lends them on very favourable terms to support projects furthering EU policy objectives.

The EIB is working to put the EU at the forefront of the next wave of innovation, especially in the health sector. In response to the Covid-19 health crisis, the EIB has released more than €6 billion for investments in the health sector to support medical infrastructure, additional research activities or other financing related to vaccines and treatments. As a European bank supporting the climate, the EIB is one of the main fund providers in the green transition towards a more low-carbon and sustainable growth model.

For more information, please visit: www.eib.org

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About InvestEU

The InvestEU programme provides the European Union with crucial long-term financing by mobilizing significant public and private funds to support a sustainable recovery. It helps generate additional investments in line with key European priorities, such as the European Green Deal, the digital transition and support for SMEs. The InvestEU programme brings together a multitude of EU financial tools to support investment by making project financing simpler, more efficient and more flexible.

The program, which builds on the success of the previous investment plan for Europe, the so-called "Juncker Plan" (more than EUR 500 billion invested during the period 2015-2021), consists of three elements: the InvestEU fund, the InvestEU advisory platform and the InvestEU portal. The InvestEU fund is implemented through various financial partners, most notably the EIB. They will invest in projects using the EU budgetary guarantee of EUR 26.2 billion to mobilize at least EUR 372 billion of additional investment.

Forward-Looking Statements: This document contains forward-looking statements and estimates about the financial condition, results of operations, strategy, plans and future performance of GeNeuro and the market in which it operates. Some of these statements, forecasts and estimates can be identified by the use of words such as, without limitation, "believes", "anticipates", "expects", "projects", "plans", "seeks", "estimates", "may", "will" and "continue" and other similar expressions. They include all matters that are not historical facts. Such statements, forecasts and estimates are based on various assumptions and assessments of known and unknown risks, uncertainties and other factors, which were believed to be reasonable when made but which may not prove to be correct. Actual events are difficult to predict and may depend on factors that are beyond the Company's control. Consequently, GeNeuro's actual results, financial condition, performance or achievements, or industry results, may differ materially from future results, performance or achievements as expressed or implied by such statements, forecasts and estimates. In addition, the forward-looking statements, forecasts and estimates speak only as of the date of this document. GeNeuro disclaims any obligation to update any such forward-looking statements, forecasts or estimates to reflect any change in the company's expectations with respect thereto, or any change in events, conditions or circumstances on which any such statements, forecasts or estimates are based, except as required by French law.