



OSE Pharma and Effimune shareholders approve merger to create OSE Immunotherapeutics

Paris, Nantes, May 31, 2016 – OSE Pharma SA (ISIN : FR0012127173 ; Mémo : OSE), an immuno-oncology company developing a T-specific immunotherapy, currently in a registration Phase 3 study, is pleased to announce the approval of resolutions submitted to shareholders during the Combined General Shareholders' Meeting of May 31, 2016, including approval of the merger with Effimune, a biotechnology company specializing in immune regulation.

OSE Immunotherapeutics, the new entity resulting from the merger, will develop innovative treatments aiming at activating or regulating the immune system to restore immune disorders in immuno-oncology, autoimmune diseases and transplantation.

Dominique Costantini, Chief Executive Officer of OSE Immunotherapeutics, states : *« Today, we have achieved a major step forward. With the creation of OSE Immunotherapeutics, we enter the field of immunotherapy with a diverse, first-class product portfolio addressing a number of key therapeutic needs. We would like to thank everyone involved in helping us to complete this merger, as well as all of our shareholders, who have strongly supported this major undertaking in immunotherapy. »*

Maryvonne Hiance, Vice Chairman of OSE Immunotherapeutics' Board of Directors, comments : *« I am pleased to bring together the talents of our two teams, which will combine a host of complementary expertise toward achievement of a mutual growth objective. This is a unique opportunity to create value for our shareholders through the development of innovative therapies aimed at addressing the needs of patients within the highly promising immunotherapy market for the pharmaceutical industry. »*

In addition to the appointment of Maryvonne Hiance as Vice Chairman of OSE Immunotherapeutics' Board of Directors, alongside Chairman Emile Loria, the company's shareholders have approved the appointment of two independent Directors from Effimune - Sophie Brouard, Co-director of the UMR Santé Nantes, specialized in immunology of transplantation and autoimmune diseases, and Didier Hoch, who has extensive experience in the field of vaccines acquired within the pharmaceutical industry (Sanofi Pasteur MSD). Additional appointments include Dominique Costantini as Chief Executive Officer, Bernard Vanhove as Chief Operating Officer in charge of R&D and International Scientific Collaborations, and Alexis Peyroles as Chief Operating Officer in charge of Operations, Finance and Business Development and Director, representing the employee shareholders.

The shareholders of both companies approved all of the resolutions, with the exception of the 28th resolution (delegation for share capital increase reserved for employees) which was rejected, as proposed by OSE Pharma's Board of Directors.

For OSE Pharma, 39 shareholders were present or represented, or voted by mail. Altogether, this group holds 7,313,995 shares (representing 73,02% of voting rights securities) and 7,313,995 voting rights.

Other key, approved resolutions are related to :

- The social and consolidated accounts for fiscal year 2015;
- The allocation of profit for the fiscal year ended December 31, 2015;
- The advisory opinion on the compensation, due or distributed to the CEO and Chairman in respect of fiscal year 2015 ;
- The delegations of financial authority and authorisations granted by the Board of Directors

Merger with Effimune and creation of OSE Immunotherapeutics

The General Meeting of OSE Pharma held today has approved the merger with Effimune with an approval rate of 99.16 %.

The General Meeting of Effimune, a biotechnology company specializing in immune regulation with clinical applications in autoimmune disease, transplantation and immuno-oncology, has approved the merger with OSE Pharma on May 30, 2016, with an approval rate of 99.63%.

The suspensive conditions having been raised, the new merged entity, OSE Immunotherapeutics, began operations as of May 31, 2016, with retroactive effect on accounting and tax levels from January 1, 2016. The new Head Office is based in Nantes, France. The share capital has increased, resulting from the remuneration of Effimune's shareholder contribution.

About OSE Immunotherapeutics

The newly formed company has a balanced portfolio, from R&D to clinical phase 3 registration, with a diversified risk profile. It is composed of advanced immunotherapy products in clinical phases 2 and 3, promising products in preclinical phase and potential drug candidates in R&D, targeting new receptors of interest in immuno-oncology, autoimmune and inflammatory diseases and transplantation. This product portfolio is supported by an innovative technology foundation and know-how in selection and optimization of new generation products acting on new immunological targets, notably, new generation check-point inhibitors.

OSE Immunotherapeutics benefits from a financial visibility of around 18 months to successfully lead its projects towards greater attractivity.

Of note, the merger between Effimune and OSE Pharma was subject to an E document registered by the Financial Market Authority (AMF) on April 26, 2016 under the code E.16-026.

The new shares to be issued by OSE Immunotherapeutics as consideration for the merger will be listed on the compartment C of Euronext Paris, on the same listing line (code ISIN FR0012127173), starting on June 3, 2016.

Subscription and exercise of BSAs 2014 (share warrants)

OSE Immunotherapeutics' Board of Directors, which met immediately after the General Meeting of May 31, 2016, noted the subscription and exercise of 88,256 BSA 2014 giving access to 88,256 new shares by the company Simbec-Orion. Those BSAs reward the work carried out since January 2015 by Simbec-Orion, in charge of the management of Tedopi® phase 3 clinical trial.

Set up of a free share plan 2014

OSE Immunotherapeutics' Board of Directors, which met immediately after the General Meeting of May 31, 2016, decided, pursuant to a delegation of powers granted by the general meeting of shareholders on September 17, 2014 (16th resolution), to proceed with the allocation of 98,000 free shares to the benefit of some corporate officers (80,000 shares) and former employees of Effimune (18,000 shares) due to a strong involvement of those beneficiaries in OSE Immunotherapeutics' growth.

The acquisition of free shares is subject to the terms established in the attribution plan and will be definite only after a two-year period following the attribution date (the « Acquisition period »), provided that at the end of the Acquisition period, each beneficiary shall be employed by OSE Immunotherapeutics, by one of its subsidiaries, or by one of the companies related to OSE Immunotherapeutics within the meaning of Article L. 233-16 of the Commercial Code.

The shares will be ordinary OSE Immunotherapeutics shares in accordance with all legal and regulatory dispositions and will give right to the beneficiaries in compliance with the requirements and criteria laid down by the Board of Directors at the end of the Acquisition period, i.e. starting on June 1, 2018, and will give right to any payment (including dividends) due after the date of their definite acquisition, it being understood that the beneficiaries shall respect the inaccessibility of the shares during the conservation period.

The new shares that shall be issued (being understood that the Board of Directors will be able to decide to distribute existing shares) in the context of the plan will be subject to a request for admission to trading on Euronext Paris.

As part of this merger:

The two companies would like to thank the stakeholders involved in the process, especially:

As legal advisors: Duhamel Blimbaum (for OSE Pharma) and Gide (for Effimune).

As advisers on audit, accounting and tax aspects: Ernst & Young, RBB Business Advisors, Fidelio (for OSE Pharma) as well as Ernst & Young and In-Extenso (for Effimune).

As merger auditors: Isabelle de Kerviler and Olivier Salustro.

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Forward-looking statements

This press release contains express or implied information and statements that might be deemed forward-looking information and statements in respect of OSE Immunotherapeutics. They do not constitute historical facts. These information and statements include financial projections that are based upon certain assumptions and assessments made by OSE Immunotherapeutic's management in light of its experience and its perception of historical trends, current economic and industry conditions, expected future developments and other factors they believe to be appropriate.

Forward-looking statements include statements typically using conditional and containing verbs such as "expect", "anticipate", "believe", "target", "plan", or "estimate", their declensions and conjugations and words of similar import.

Although the OSE Immunotherapeutic's management believes that the forward-looking statements and information are reasonable, the OSE Immunotherapeutic's shareholders and other investors are cautioned that the completion of such expectations is by nature subject to various risks, known or not, and uncertainties which are difficult to predict and generally beyond the control of OSE Immunotherapeutics. These risks could cause actual results and developments to differ materially from those expressed in or implied or projected by the forward-looking statements. These risks include those discussed or identified in the public filings made by OSE PHARMA and Effimune with the AMF. Such forward-looking statements are not guarantees of future performance.

This press release includes only summary information and should be read with the OSE PHARMA Reference Document filed with the AMF on 12 June 2015 under the number R.15-051, the consolidated financial statements and the management report for the fiscal year 2015, as well as the Merger Document registered with the AMF on 26 April 2016 under number E.16-026, all available on the OSE Immunotherapeutic's website.

OSE Immunotherapeutics undertakes no obligation to update any forward-looking statements except what would be required by applicable laws and regulations.