OSE Immunotherapeutics Receives Payment of €2.6 Million from Bpifrance After Completion of a New Key Milestone for its Product OSE-127

This Interleukin-7 Antagonist (IL-7R) is developed in autoimmune diseases in a collaborative program named EFFIMab

NANTES, France, June 21, 2017, 6:30 p.m. CET. - OSE Immunotherapeutics SA (ISIN: FR0012127173; Mnémo: OSE) announces today that the Company has received €2.597 million from Bpifrance following the completion of a milestone related to the company's collaborative program, EFFIMab, which is focused on evaluating OSE Immunotherapeutics' OSE-127 (Effi-7).

This new milestone relates to the finalization of significant preclinical results for OSE-127 and translational data on the high expression of IL-7R in biopsies from patients with ulcerative colitis These data will be used to support the next clinical applications planned in inflammatory bowel diseases (results presented at the international congress of immunology of FOCIS - Federation of Clinical Immunology Societies * - Press release of June 15, 2017). In addition, the manufacturing process of OSE-127 is now finalized, making it possible to advance towards pilot batch production step.

ABOUT THE EFFIMab PROGRAM

This collaborative program is headed by OSE Immunotherapeutics as leader of the consortium to develop OSE-127 (Effi-7), a monoclonal immunomodulatory antibody targeting the CD127 receptor, the alpha chain of the interleukin-7 receptor (IL-7R). The product is under preclinical phase in ulcerative colitis and the funding from Bpifrance will enable to cover its development until the phase 2 clinical stage. The total amount of the OSE-127 program, being developed by OSE Immunotherapeutics in collaboration with INSERM and Nantes University Hospital, is of €20 million with €9.1 million allotted by Bpifrance.

ABOUT OSE-127

OSE-127 is a monoclonal immunomodulatory antibody targeting the CD127 receptor, the alpha chain of the interleukin-7 receptor (IL-7R) that induces a powerful antagonist effect on effector T lymphocytes. Interleukin-7 is a cytokine which specifically regulates the tissue migration of human effector T lymphocytes, especially in the gut. The blockage of IL-7R prevents the migration of pathogenic T lymphocytes while preserving regulator T lymphocytes which have a positive impact in autoimmune diseases.

OSE Immunotherapeutics has signed a license option agreement with Servier in December 2016 for the development and commercialization of OSE-127. Under this agreement, OSE Immunotherapeutics is eligible to receive up to €272 M including a €10.25 M upfront payment (received early 2017) and additional payments of €30 M upon the exercise of a two-steps option license until Phase 2 completion in ulcerative colitis and in the Sjögren syndrome.

* *"IL-7 pathway controls human T cell homing to the gut and culminates in inflammatory bowel disease mucosa"*

ABOUT OSE IMMUNOTHERAPEUTICS

Our ambition is to become a world leader in activation and regulation immunotherapies

OSE Immunotherapeutics is a biotechnology company focused on the development of innovative immunotherapies for immune activation and regulation in the fields of immuno-oncology, auto-immune diseases and transplantation. The company has a balanced portfolio of first-in-class products with a diversified risk profile ranging from clinical phase 3 registration trials to R&D:

In immuno-oncology:

- **Tedopi®, a combination of 10 optimized neo-epitopes** to induce specific T activation in immuno-oncology - **Currently in registration Phase 3 trial advanced NSCLC HLA A2+ patients EU /US -** Orphan Status in the US **- Registration expected in 2019 - A Phase 2 with Tedopi® in combination with a checkpoint inhibitor** in NSCLC is considered in 2017**.**
- **OSE-172 (Effi-DEM), new generation checkpoint inhibitor** targeting the **SIRP-α receptor - In preclinical development** for several cancer models.

In auto-immune diseases and transplantation:

- **FR104,** CD28-antagonist in immunotherapy - **Phase 1 trial completed** – For the treatment of autoimmune diseases and for use with transplantation - **Licensed to Janssen Biotech Inc.** to pursue clinical development.
- **OSE-127 (Effi-7),** interleukin receptor-7 antagonist - **In preclinical development** for inflammatory bowel diseases and other autoimmune diseases. **License option agreement with Servier** for the development and commercialization.

The portfolio's blockbuster potential gives OSE Immunotherapeutics the ability to enter global agreements at different stages of development with major pharmaceutical players.

Immunotherapy is a highly promising and growing market. By 2023 Immunotherapy of cancer could represent nearly 60% of treatments against less than 3% at present * and the projected market is estimated at $67 billion in 2018 **.

There are more than 80 autoimmune diseases that represent a significant market including major players in the pharmaceutical industry with sales towards $10 billion for the main products. The medical need is largely unmet and requires the provision of new innovative products involved in the regulation of the immune system.

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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 Immunotherapeutics' 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.
These 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 Immunotherapeutics management believes that the forward-looking statements and information are reasonable, the OSE Immunotherapeutics' 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 Immunotherapeutics 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 Immunotherapeutics Reference Document filed with the AMF on 28 April 2017 under the number R.17-038, including the annual financial report for the fiscal year 2016, available on the OSE Immunotherapeutics' website.

Other than as required by applicable law, OSE Immunotherapeutics issues this press release at the date hereof and does not undertake any obligation to update or revise the forward-looking information or statements.