

VALBIOTIS announces a global strategic partnership with NESTLÉ HEALTH SCIENCE for the development and commercialization of TOTUM-63, a plant-derived active substance with clinically demonstrated metabolic health benefits on prediabetics

- Nestlé Health Science's global reach and metabolic diseases focus expected to support TOTUM-63 development and global commercialization;
- Strategic partnership secures funding for the latest clinical development phase until the obtention of health claims from American and European Authorities;
- Deal is structured around an upfront payment of CHF 5 million, development & sales milestone payments up to a maximum of CHF 66 million and tiered royalties on net sales;
- Agreement also includes TOTUM-63 supply to Nestlé Health Science representing an additional source of revenue.

La Rochelle, 5 February 2020 (5:40 PM CET) – **VALBIOTIS** (FR0013254851 - ALVAL / PEA/SME eligible), a Research & Development company committed to scientific innovation for preventing and combating metabolic diseases, **announces the signature of a global long-term strategic partnership with Nestlé Health Science for the development and commercialization of TOTUM-63, an innovative and patented combination of 5 plant extracts specifically designed to reduce the risk of developing Type 2 Diabetes on prediabetics.**



"Nestlé Health Science is an ideal strategic partner for VALBIOTIS. Its global reach, strategic intent to develop science-based nutritional health solutions and focus on fighting metabolic disorders like diabetes will be instrumental to TOTUM-63's worldwide commercialization success. We are excited about the opportunity that this deal brings to VALBIOTIS and to the many millions of people around the world at risk of becoming Type 2 diabetics. This transformational deal arrives just five years after the creation of VALBIOTIS and is a recognition of the hard work, commitment and vision of our team".

Sébastien PELTIER,
CEO of VALBIOTIS



Hans-Juergen WOERLE, Chief Science & Medical Officer of Nestlé Health Science, said, *"The research and development that VALBIOTIS is doing is very promising. We look forward to working together to realize the commercialization of TOTUM-63, an innovative approach to reducing the risk of Type 2 Diabetes."*

Under the terms of the agreement, VALBIOTIS grants Nestlé Health Science exclusive and global commercial rights to use TOTUM-63 in the prediabetes and Type 2 Diabetes market. The agreement defines a number of priority markets for a global commercialization. In exchange for these rights, Nestlé Health Science commits to an upfront payment of CHF 5 million, development & sales milestone payments up to a maximum of CHF 66 million, and tiered royalties on net sales. The partnership will support VALBIOTIS's work in a number of ways, including funding the latest clinical development phase until health claims are obtained by the appropriate authorities in the United States and Europe. The financial terms of this agreement significantly extend VALBIOTIS's cash runway.

The commercialization of TOTUM-63 may take place before obtaining health claims.

Agreement also includes TOTUM-63 supply to Nestlé Health Science, representing an additional source of revenue for VALBIOTIS.

As part of the agreement, a joint steering committee comprised of representatives of both companies will oversee clinical development, regulatory matters, supply and commercialization.

Beyond this strategic partnership on TOTUM-63 to reduce the risk of developing Type 2 Diabetes, VALBIOTIS intends to pursue its other R&D programs: TOTUM-070, to reduce blood LDL-cholesterol, an independent risk factor for cardiovascular diseases, TOTUM-854¹, to reduce blood pressure, an independent risk factor for cardiovascular diseases and TOTUM-448¹, in fatty liver disease, a condition with high risk of developing NASH.

The Company will provide further details on its pipeline in a subsequent communications.

Resumption of trading of VALBIOTIS shares on Euronext Growth will take place on February 6, 2020 at 9:00 am.

¹ TOTUM-854 and TOTUM-448 are active substances from the VAL-63 research program. They are ready to enter Phase II clinical development.

TOTUM 63

ABOUT TOTUM-63

TOTUM-63 is a unique and patented combination of 5 plant extracts, with high potential to target the physiopathological mechanisms of Type 2 Diabetes.

TOTUM-63 has already been proven safe and effective in healthy human volunteers during a Phase I/II clinical study. The results of the international randomized, placebo-controlled Phase II study showed that TOTUM-63 reduced fasting and 2-hour blood sugar levels, two risk factors for Type 2 Diabetes, in prediabetics compared to placebo. In these subjects, who also had abdominal obesity, TOTUM-63 significantly reduced body weight and waist circumference.

TOTUM-63 benefits from intellectual property granted in the main markets worldwide: Europe (covering 39 countries), the United States, Russia and national phases are underway in more than 20 countries including China, Japan, Brazil, Australia. The ability to produce TOTUM-63 industrially, in compliance to North American and European standards, has been validated. TOTUM-63 already has marketing authorizations related to its status in Europe.

ABOUT NESTLÉ HEALTH SCIENCE

Nestlé Health Science (NHSc), a wholly-owned subsidiary of Nestlé, is a globally recognized leader in the field of nutritional science. At NHSc we are committed to empowering healthier lives through nutrition for consumers, patients and their healthcare partners. We offer an extensive consumer health portfolio of industry-leading medical nutrition, consumer and VMS brands that are science-based solutions covering all facets of health from prevention, to maintenance, all the way through to treatment. Headquartered in Switzerland, NHSc employs over 5'000 people around the world, who are committed to making a difference in people's lives, for a healthier today and tomorrow.

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

ABOUT VALBIOTIS

VALBIOTIS is a Research & Development company committed to scientific innovation for preventing and combating metabolic diseases. Its products are made for major players in the health care sector. VALBIOTIS particularly focuses on solutions to prevent type 2 diabetes, NASH (nonalcoholic steatohepatitis), obesity and cardiovascular diseases.

VALBIOTIS was founded in La Rochelle in early 2014 and has formed numerous partnerships with top academic centers in France and abroad, including La Rochelle University, the CNRS and Clermont Auvergne University located in Clermont-Ferrand. These partnerships have enabled VALBIOTIS to benefit from strong financial leverage, particularly thanks to experts and technical partners who support its projects. The Company has established three sites in France - Périgny, La Rochelle (17) and Riom (63) - and an American office in Boston (MA). VALBIOTIS is a member of the "BPI Excellence" network and received the «Innovative Company» status accorded by BPI France. VALBIOTIS has also been awarded "Young Innovative Company" status and has received major financial support from the European Union for its research programs by obtaining support from the European Regional Development Fund (ERDF). VALBIOTIS is a PEA-SME eligible company.

Find out more about VALBIOTIS: www.valbiotis.com

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This press release contains forward-looking statements about VALBIOTIS' objectives, based on rational hypotheses and the information available to the company at the present time. However, in no way does this constitute a guarantee of future performance, and these projections can be reconsidered based on changes in economic conditions and financial markets, as well as a certain number of risks and doubts, including those described in the VALBIOTIS core document, filed with the French Financial Markets Regulator (AMF) on 31 July 2019 (application number R19-030) as well in its supplement approved by the AMF on Octobre 9, 2019. These documents being available on the Company's website (www.valbiotis.com). This press release, as well as the information contained herein, does not constitute an offer to sell or subscribe to, or a solicitation to purchase or subscribe to, VALBIOTIS' shares or securities in any country.



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