



PRESS RELEASE

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Maxwell Biotech Venture Fund's Portfolio Company, Infectex, Enrolls First Multi-Drug Resistant Tuberculosis (MDR-TB) Patients in Pivotal Clinical Trial of SQ109, Licensed from Sequella

Infectex, a Russian biotech company in Maxwell Biotech Venture Fund's portfolio announced today enrollment of the first patients in its Phase IIb-III clinical trial of SQ109 for MDR-TB. Infectex was founded in 2011 to develop and commercialize innovative products for the treatment of TB. The study, which will be conducted at specialized clinical centers in Russia, is expected to continue for 2 years and will be the pivotal efficacy study in support of Russian and CIS regulatory approval. The trial will compare the effects of an optimized background drug regimen alone with an optimized background regimen plus SQ109 in MDR-TB patients. Study will be conducted in accordance with Russian and international treatment guidelines and in close partnership with U.S. biotech company Sequella, the original developer of the drug.

According to the World Health Organization, Russia is among the 22 countries with the highest level of TB disease, with approximately 120,000 new cases of TB and 18,000-24,000 new MDR-TB cases per year. With MDR patients, standard chemotherapy is no longer effective. In some parts of Russia and neighboring countries, TB infection rates are over 3 times that which the WHO considers epidemic, prompting the Russian government to make TB control a top priority. The Russian market for anti-tuberculosis drugs is well over \$300 million per year, with total TB control costs estimated to be over \$1 billion.

Oksana Markova, CEO of Infectex, said, "We are happy to announce the first Russian MDR-TB patients dosed with drug in this important clinical trial. SQ109 has already proved to be effective in TB animal models and shows a good safety profile in a number of clinical studies in healthy humans and TB patients. We hope that the new data will also confirm efficacy of this drug, and that it will be an important part of new, more efficient treatment regimens, reducing duration and cost of therapy and incidence of drug resistance."

Dr. Carol Nancy, CEO of Sequella, added, "We are delighted that this pivotal SQ109 trial for Russian and CIS submission has started. This represents the first MDR-TB patients worldwide to receive SQ109. We look forward to combining data from this study with our international MDR-TB study to support an SQ109 global submission for the treatment of MDR-TB."

About SQ109

SQ109, identified as the lead drug candidate from among 63,000 diamine compounds synthesized in a combinatorial chemistry program, was co-discovered by scientists at Sequella and the National Institute of Allergy and Infectious Diseases (NIAID), a part of the National Institutes of Health (NIH), under a Cooperative Research and Development Agreement. SQ109 is currently under US IND and completed three Phase 1 studies in the U.S., one Phase 2 study in TB patients in Africa. With a mechanism of action distinct from all other antibiotics used in TB therapy, SQ109 has excellent activity against both drug susceptible and MDR-TB bacteria, including XDR-TB strains. SQ109 also enhances activity of anti-tubercular drugs isoniazid rifampicin, and bedaquiline and shortens by >30% the time required to cure mice of experimental TB.



SQ109 could replace one or more of the current antitubercular drugs, simplify therapy, and shorten the current TB treatment regimens. According to a November 2012 Cowen and Company report, a newly approved drug to treat MDR-TB has a peak sales market of approximately \$400-\$500 million.

Sequella filed a second IND for SQ109 for treatment of *Helicobacter pylori* infections in 2011 and is conducting a phase 2a trial in Texas, U.S.A. SQ109 has excellent activity against *H. Pylori*, killing 99.99% of these bacteria with concentrations easily achievable in stomach contents and tissues.

About Sequella

Sequella is a clinical stage pharmaceutical company focused on commercializing improved treatments for drug resistant infectious diseases. The company leverages its global influence, R&D platforms and infectious disease expertise to proactively address emerging health threats. Through focused execution, clear commercialization pathways, and strategic partnerships, Sequella intends to commercialize a broad product portfolio designed to treat global health threats with significant market opportunity.

About Infectex

Infectex, Ltd. is a private Russian biotechnology company founded in 2011 with the goal to develop and bring to the Russian market is an innovative drug for the multidrug-resistant tuberculosis (MDR-TB) treatment. Infectex is a Skolkovo resident and takes part in a national Technology platform "Medicine of the Future". The Company has been backed by Maxwell Biotech Venture Fund.

About Maxwell Biotech Venture Fund

Maxwell Biotech Venture Fund (MBVF) is one of the first Russian funds dedicated to investments in the life science sector and was formed with the participation of Russian Venture Company (RVC). MBVF relies on an experienced international team of managers and financial and industry experts and has offices in Moscow and Boston. MBVF is investing in product development companies specializing in specific therapeutic areas or medical devices categories. To date, MBVF has invested in OncoMax (oncology), NeuroMax (CNS), MetaMax (oncology & metabolic diseases), Infectex (infectious diseases), CardioNova (cardiovascular diseases), Hepatera (liver diseases), Osteros Biomedica (cancer-induced bone diseases), Eleventa (inflammatory respiratory diseases) and Photonics (novel lasers for medicine and dentistry). Products in these companies originated either from Russian scientists or were licensed from international biopharma companies. All the portfolio companies are residents at Skolkovo Innovation Center.

About RVC

RVC is a government fund of funds and a development institute of the Russian Federation; since 2006 it has been one of Russia's key tools in building its own national innovation economy. RVC invests government capital through VC funds that it creates in partnership with private investors.

RVC has backed 12 funds (including two funds outside Russia) with a total capitalization of RUB 26 billion (about US\$860 million), its share amounting to RUB 16 billion (about US\$530 million). As of November 2012, RVC-backed funds hold a portfolio of 126 companies, with invested capital totaling RUB 10.8 billion (about US\$350 million).

About the Skolkovo Foundation

The Skolkovo Foundation is a non-profit organization founded in September 2010 by the Russian government with an objective to accelerate transformation of Russia from a resource-intensive to an innovation-based economy. To achieve this objective the Foundation is overseeing the creation of the Skolkovo Innovation Centre composed of companies and start-ups, developing innovative technologies (currently numbering over 750), a Technopark, the Skolkovo Institute of Technology (SkolkovoTech), a new graduate research University established in collaboration with the Massachusetts Institute of Technology, and Skolkovo city, located near Moscow. Together these entities will establish a vibrant eco-system of technology innovation and entrepreneurship. 28 world's most successful corporations, including Boeing, Cisco Systems, EADS, GE, Johnson & Johnson, IBM, Intel, Microsoft, Siemens, Nokia, etc. have already recognized the opportunity Skolkovo presents having signed R&D partnership agreements with the Foundation.



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