

## PRESS RELEASE

### **ProtAffin AG receives key grant for preclinical and clinical development of PA401 in inflammatory lung disease**

**Graz, Austria and London, UK- 14<sup>th</sup> December 2011:** ProtAffin AG, a biotechnology company developing a novel class of next-generation biopharmaceuticals for respiratory disease, inflammation and oncology, today announced that it has received an award of €2.1 million for the preclinical and clinical development of its lead product PA401 in inflammatory lung disease, including chronic obstructive pulmonary disease (COPD). The grant was awarded by the Austrian Forschungs-Förderungs-Gesellschaft (FFG), the leading public funding body in Austria for translational research. This new award, combined with previous grant funding, means that ProtAffin has now raised a total of over €5M from FFG.

Inflammatory lung disease comprises a number of diseases such as COPD, cystic fibrosis (CF) and bronchiectasis, where significant unmet medical need exists due to the relative lack of activity of steroids. COPD affects up to 65 million people worldwide and more than 3 million people die of COPD each year, making it the 4<sup>th</sup> leading cause of death in the world. PA401 is an anti-inflammatory product that is a modified form of the human chemokine IL-8. The product acts by preventing the infiltration and activation of neutrophils, which are a hallmark of many acute and chronic respiratory diseases including chronic obstructive pulmonary disease (COPD).

Dr. Jason Slingsby, Chief Executive Officer of ProtAffin, commented: "This is the third grant that ProtAffin has received from FFG for our lead product PA401. We are delighted that FFG has recognized the potential of PA401 with such a substantial follow-on award and continues to support the project as we progress towards the first clinical trial of PA401 which is scheduled to begin Q2 2012. PA401 is one of the most promising products in early development for the treatment of steroid-resistant respiratory diseases such as COPD, and it represents a very large commercial opportunity."

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#### **Notes to Editors:**

#### **About ProtAffin AG**

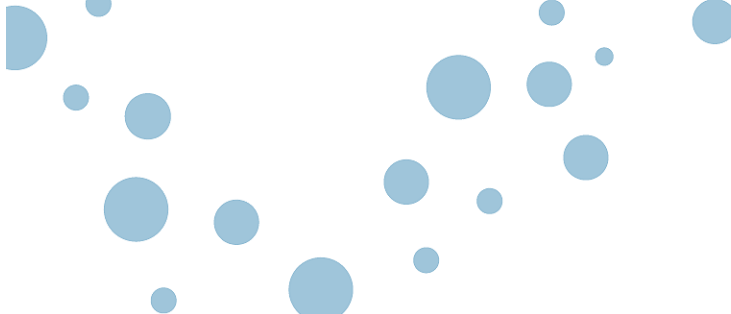
ProtAffin AG is a European biotechnology company developing a novel class of next-generation biopharmaceuticals for respiratory disease, inflammation and oncology. The Company's lead product, PA401, is a decoy IL-8 protein in preclinical development for lung diseases where neutrophils cause chronic lung damage, including COPD. PA401 has demonstrated differentiated pharmacology compared to competitors in preclinical models of COPD and will enter Phase 1 studies in Q2 2012.

ProtAffin's novel class of biopharmaceuticals are glycan-binding decoy proteins based on human chemokines and other protein families. The second pipeline program is decoy MCP-1 variants which block monocyte/macrophage infiltration, with lead molecules demonstrating strong efficacy in preclinical models of multiple sclerosis, cardiovascular disease and ophthalmology.

#### **ProtAffin Biotechnologie AG**

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The Company has generated a broad product pipeline using its proprietary CellJammer<sup>®</sup> discovery technology, an efficient engine for the discovery of novel biologics applicable to over 500 glycan-binding proteins identified by the Company. ProtAffin's decoy proteins displace the glycan-bound gradient of inflammatory proteins that drive inflammatory cascades, leading to superior down-regulation of protein activity. The CellJammer<sup>®</sup> discovery technology is also being applied to a number of targets in the field of oncology. ProtAffin has raised €18 million in venture funding from an international consortium of leading European and North American investors and is located in Austria and the UK. For more information on ProtAffin, please visit [www.protaffin.com](http://www.protaffin.com).

### **About PA401**

ProtAffin's lead anti-inflammatory product is PA401, a modified form of the human chemokine IL-8. Human IL-8 (CXCL8) is a chemokine produced by macrophages and other cells and its primary function is the induction of chemotaxis in neutrophils. PA401 acts as a potent, targeted anti-inflammatory protein preventing the infiltration of neutrophils which are a hallmark of many acute and chronic respiratory diseases.

By binding to glycans that drive the infiltration of neutrophils in inflammation with a higher affinity than wild-type IL-8, PA401 can prevent wild-type IL-8 from activating neutrophils and inhibit the events that would normally lead to chronic inflammation. A patent encompassing PA401 and other IL-8 variants was granted to ProtAffin in the USA and EU in 2009.

PA401 is a novel biopharmaceutical product in preclinical development representing a huge commercial opportunity by addressing the significant unmet medical need in respiratory diseases where chronic neutrophilic infiltration is present, including COPD, exacerbations of COPD, cystic fibrosis and bronchiectasis. PA401 has also been granted Orphan Drug designation in the US and EU for the "prevention of delayed graft function after solid organ transplantation".

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