

Debiopharm Group™ to Acquire Affinium's Antibiotic Clinical Assets and Platform to Identify and Develop Targeted Antibiotics

Lausanne, Switzerland and Toronto, Ontario – February 11, 2014 – Debiopharm Group™ (Debiopharm), a Swiss-based global biopharmaceutical company developing prescription drugs that target unmet medical needs as well as companion diagnostics, and Affinium Pharmaceuticals (Affinium), a Canadian company focusing on the development of a platform of novel, targeted narrow-spectrum antibacterial therapeutics, today announced the acquisition by Debiopharm of Affinium's clinical and preclinical assets as well as its technology platform.

The clinical assets include AFN-1252, a FabI inhibitor designated by the FDA as a Qualified Infectious Disease Product (QIDP) which has successfully completed a Phase 2a study for the treatment of acute bacterial skin and skin structure infections (ABSSSI), and its prodrug AFN-1720, currently in Phase 1 clinical development. Both compounds are highly potent agents that are selectively active against all *Staphylococcus* species and strains tested thus far (5400 strains) including all known resistant strains such as methicillin-resistant *S. aureus* (MRSA) and vancomycin-intermediate *S. aureus* (VISA). In clinical trials, AFN-1252 has demonstrated an excellent efficacy, safety and tolerability profile in over 250 subjects. The possibility to treat staphylococcal infections with a molecule that allows for an intravenous-oral switch will be a major advance to address difficult-to-treat infections. Through its expertise of molecular diagnostics, Debiopharm will develop concomitantly with the clinical trials a diagnostic test that will allow to select *Staphylococcus*-infected patients, and increase the success of treatment.

"This acquisition is a strategic choice for Debiopharm and represents a massive continuing investment in antibiotic development. In September 2013, we entered the antibiotics arena by signing an agreement with TCG Life Sciences Ltd (India) to develop a novel class of antibiotics," said Thierry Mauvernay, Delegate of the Board of Debiopharm Group. "In 2013, the scientific community has shown that the gut microbiome plays vital roles in determining how the body responds to challenges as different as malnutrition, autoimmune diseases and cancer. Thus, as highlighted in the 2013 Science Breakthrough of the Year, we are convinced that it is crucial to develop innovative targeted antibiotics which preserve indigenous gut microbiota and overcome resistance to broad-spectrum antibiotics. Debiopharm intends to make additional investments in this promising field and become a key player in this therapeutic area and associated diagnostics".

"The purchase of Affinium's assets is a unique opportunity to develop a targeted antibiotic having demonstrated excellent efficacy and safety in clinical trials as well as the potential to preserve gut flora diversity and thus to prevent acquired resistance. We are very happy about this achievement and are confident that Affinium's novel platform will yield additional, new, first-in-class antibiotics in the near future," commented Andres McAllister, Chief Scientific Officer, Debiopharm International SA.

"We are delighted to transfer the subsequent development of Affinium's clinical lead antibiotic, AFN-1720, as well as the promising platform in selective antibiotics, to our colleagues at Debiopharm, stated Ed Mascioli, MD, CEO of Affinium. "We wish them every success in bringing AFN-1720 through regulatory approvals to serve the serious medical needs of an increasing patient population suffering from life-threatening *Staphylococcal* infections. We look forward to Debiopharm's unlocking the very promising potential of the platform in generating more specific, targeted antibiotics against other serious infectious pathogens. We are also very pleased that Drs. Nachum Kaplan and Barry Hafkin will continue with the program's development. Their collective decades of expertise in microbiology and infectious diseases as well as with this program will ensure its future success."

About AFN-1720 and AFN-1252

AFN-1720 is a prodrug of Affinium's successful clinical-stage drug, AFN-1252, and represents a new clinical-stage agent in this novel class of antibiotics. Due to the unique, staphylococcal-specific activity of AFN-1252, AFN-1720 is expected to preserve the human gut microbiota resulting in minimal antibiotic-associated side effects, such as antibiotic-induced diarrhea or *C. difficile* overgrowth. Clinical data observed to date strongly support this concept. Additionally, with no resistance pressure on other bacterial species, the development of multiple drug-resistant organisms like vancomycin-resistant enterococci (VRE) is unlikely. Oral and IV AFN-1720 formulations are being developed for clinical use in several serious infections.

About Debiopharm Group™

Debiopharm Group™ is a Swiss-based global biopharmaceutical group of 4 companies active in drug development, GMP manufacturing of proprietary drugs, diagnostics, and investments.

Debiopharm International SA is focused on the development of prescription drugs that target unmet medical needs. The company in-licenses, develops and/or co-develops promising biological and small molecule drug candidates for global registration. The products are commercialized through out-licensing to pharmaceutical partners to give access to the largest number of patients worldwide.

For more information about Debiopharm Group™, please visit: www.debiopharm.com.

About Affinium Pharmaceuticals

Affinium Pharmaceuticals is a clinical stage biopharmaceutical company focused on discovery and development of novel anti-infective medicines. The Affinium FASII antibacterial programs constitute a new antibiotic franchise with the potential for multiple products targeting the FASII pathway. These programs include a broad base of long-term intellectual property: issued and pending composition of matter patents on potent orally available small molecule inhibitors of a new class of antibiotics with a unique mechanism of action, targeting an underexploited pathway. Affinium's major investors include SV Life Science Advisors LLC, Genesys Capital Management, Forward Ventures, and Ontario Capital Growth Corporation.

For more information about Affinium Pharmaceuticals, please visit: <http://www.afnm.com>

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