

Atox Bio Closes \$23 Million Investment

Funds will be used to advance development of AB103, a novel therapy for the treatment of necrotizing soft tissue infections

Ness Ziona, Israel – July 24, 2014 - Atox Bio, developer of therapeutics for severe infections, today announced that it has raised up to \$23 million in a Series E investment led by SR One with participation by Lundbeckfond Ventures and OrbiMed Israel.

The funds will enable Atox Bio to initiate a late stage clinical study of AB103, a novel therapy for the treatment of Necrotizing Soft Tissue Infections, commonly referred to as the “flesh eating bacteria” and other severe infections. The study is expected to start in the second half of 2015.

AB103, a novel immunomodulator discovered by Prof. Raymond Kaempfer and Dr. Gila Arad and licensed from Yissum, the technology transfer company of the Hebrew University, is a rationally designed, short peptide that modulates the host’s inflammatory response through binding to the CD28 dimer interface. It offers a unique approach in the treatment of infectious diseases by modulating, but not inhibiting, the host immune system. This approach of targeting the host response rather than the pathogen precludes the rapid generation of drug resistance and provides a multisystem solution for bacterial infections with broad-spectrum coverage, independent of pathogen type.

AB103 successfully completed a Phase 2 study in patients with NSTI. The results demonstrated that patients treated with AB103 had a meaningful improvement across multiple end points. Patients treated with AB103 had a faster resolution of organ dysfunction, spent fewer days in the intensive care unit, required fewer days of assisted ventilation and needed fewer surgical procedures to remove infected tissue.

AB103 is the first product specifically developed for NSTI and has received Orphan Drug status and Fast Track designation from the FDA as well as a positive opinion from the EMA’s Committee for Orphan Medicinal Products (COMP).

NSTI are rare, fast progressing infections that result in significant tissue destruction and systemic disease leading to multiple organ dysfunction. Currently, there are no approved treatments for NSTI and the standard of care includes prompt and repeated surgical debridement, aggressive resuscitation and physiologic support, in addition to antibiotics.

Dan Teleman, CEO of Atox Bio, stated, "We are very pleased with this financing round, led by reputable life science investors. This investment reflects our investors’ confidence in the Company and validates our novel approach to treating severe infections. With this investment, we plan to advance AB103’s clinical development and further expand into new therapeutic categories."

“We are delighted to join with a quality syndicate like SR One, Lundbeckfond, and OrbiMed, and look forward to company building together to realize the full potential of the Company and its unique science,” stated Belay Equity’s Dane Ross, Chairman of the Board of Atox Bio.

Matthew Foy, Partner at SR One, commented, “Atox Bio's management has done a fantastic job of developing AB103 based on ground breaking research that came out of Prof. Kaempfer's lab at the Hebrew University, all the way to clinical proof of concept with the successful completion of a Phase 2 trial. We are excited to be partnering with the company to progress AB103 through late-stage development. If approved, this treatment could help thousands of patients each year who suffer the debilitating consequences of NSTI.”

Casper Breum, Partner at Lundbeckfond Ventures, stated, “AB103 is a very exciting molecule and we are proud to support the development of a drug for indications where the need for novel treatment options is so high.”

Erez Chimovits, Managing Director at OrbiMed Israel, added, “We found Atox Bio’s approach to modulating the immune response towards solving serious infections with significant unmet need to be unique and promising. AB103 may be applicable to treating patients suffering from a variety of indications for which no other therapies currently exist. We look forward to working with management towards advancing the clinical development of AB103.”

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