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Atox Bio Awarded Contract worth up to $24 Million for the Development of AB103 by the Biomedical Advanced Research and Development Authority (BARDA)

Ness Ziona, Israel – September 29, 2014 - Atox Bio, a clinical stage company developing novel immunemodulators for severe infections, today announced that the Biomedical Advanced Research and Development Authority (BARDA) has awarded Atox Bio with a contract valued up to $24 million and 4.5 years for the development of AB103 to treat Necrotizing Soft Tissue Infections (NSTI) and potentially infections caused by biothreats and public health threats that end in sepsis.

BARDA awarded the contract to Atox Bio for $4.4M over a base period of 18 months. Subsequent option periods, if exercised by BARDA, would bring the total value of the award to $24 million. The contract covers manufacturing activities, regulatory activities and a pivotal clinical trial of AB103 in patients with NSTI.

AB103 is a rationally designed short peptide discovered by Prof. Raymond Kaempfer and Dr. Gila Arad of the Hebrew University that modulates the patient'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 patient's immune system. This approach of targeting the host response rather than the pathogen has the potential to reduce the chance of rapid generation of drug resistance and may provide a broad-spectrum approach to treat infections, independent of pathogen type.

Dan Teleman, CEO of Atox Bio, stated, "We are honored that BARDA has recognized the potential of AB103, a novel host oriented therapeutic, to offer a new approach to treating severe infections where there are currently no approved therapies. We look forward to working with BARDA to advance the development of AB103 in NSTI and exploring its potential in bioterror pathogens."

AB103 successfully completed a Phase 2 study in patients with NSTI which are rare, fast progressing infections that result in significant tissue destruction and systemic disease leading to multiple organ dysfunctions. 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 from the FDA and EMA and Fast Track designation from the FDA.

The BARDA contract comes in addition to up to $23 million that Atox Bio raised earlier in the year from SR One, OrbiMed and Lundbeckfond.