

Polyphor announces closing of CHF 40 million private financing round

Allschwil, Switzerland, April 12, 2017 . Polyphor Ltd., a clinical stage, privately held Swiss specialty pharma company focused on the development of macrocycle drugs addressing antibiotic resistance and respiratory diseases, today announced that it completed a CHF 40 million private placement. Existing Polyphor investors contributed to 98% of the financing.

The proceeds will be used to finance the Pharma business unit, and particularly the pivotal registration program of the antibiotic Murepavadin (POL7080) against *Pseudomonas aeruginosa*, including its most resistant strains, and the proof of concept program for the elastase inhibitor POL6014. Further, the proceeds will also be used to finance the completion of the preclinical development of the Polyphor antibiotic platform to progress candidates into the clinical stage.

Under the terms of the transaction, Polyphor received CHF 10 million and will call the remaining CHF 30 million in the second half of the year after the successful completion of the clinical end of Phase II meeting for its lead clinical stage antibiotic, Murepavadin, with the US Food and Drug Administration, FDA.

The capital increase secures the financing of the pivotal development program of our lead antibiotic candidate Murepavadin, the advancement of POL6014, and, in general, of our promising pipeline, said Giacomo Di Nepi, CEO of Polyphor. The very significant backing of the financing by our existing investors, including the substantial support from anchor investors Varuma AG and Ingro Finanz AG, is an important sign of trust and endorsement of the strategy, and allows the implementation of our mission to build value by developing innovative medicines to fight antibiotic resistance and help patients with severe respiratory diseases.

Murepavadin (POL7080) is the first representative of the Outer Membrane Protein Targeting Antibiotics (OMPTA) class, a class of antibiotics against Gram-negative bacteria with a novel mode of action discovered by Polyphor. It is the first new class of antibiotics against Gram-negative pathogens to enter late-stage clinical development in over 40 years. Murepavadin is being developed for the treatment of Nosocomial Pneumonia (VAP and HAP) caused by infections through *Pseudomonas aeruginosa*, including its resistant strains - a disease with a reported mortality of 30-40%. Carbapenem-resistant *Pseudomonas aeruginosa* is considered one of the top three most dangerous pathogens by the World Health Organization.

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About Polyphor

Polyphor is a clinical stage, privately held Swiss specialty pharma company, focused on the development of macrocycle drugs that address antibiotic resistance and severe respiratory diseases. The company's lead drug candidates include:

- Murepavadin (POL7080, in Phase II entering Phase III / Pivotal registration program), a precision Outer Membrane Protein Targeting Antibiotic (OMPTA) against *Pseudomonas aeruginosa*.

- POL6014 (in Phase Ib), an inhaled inhibitor of neutrophil elastase for the treatment of Cystic Fibrosis and other severe lung diseases
- Balixafortide (POL6326, in Phase Ib), an antagonist of the chemokine receptor CXCR4 for combination treatment in oncology

Polyphor has discovered the OMPTA class and is further developing it, including broad-spectrum preclinical candidates, to address infections caused by difficult-to-treat, resistant Gram-negative pathogens . one of the most pressing emerging medical needs. The OMPTA represent the first new class of antibiotics against Gram-negative bacteria reaching late-stage development in 40 years.

In addition, Polyphor has substantial technology partnerships with its Discovery business unit to assist pharma clients in research programs addressing difficult targets through its proprietary macrocycle technology platform.

Several industry partnerships and financing from the Cystic Fibrosis Foundation Therapeutics, Gilead Sciences, Novartis, Taisho and the Wellcome Trust complement Polyphor's business. For more information go to www.polyphor.com.