

MGB Biopharma Secures £4.0m (\$6.4m) to Advance its Novel Lead Antibacterial, MGB-BP-3, into Clinical Development

First antibacterial with a new mode of action from a truly novel class of anti-infective in over a decade

Glasgow, Scotland, 17 September 2014 – MGB Biopharma, a biopharmaceutical company developing a truly novel class of anti-infectives, announces today that it has secured £4.0m (\$6.4m) to advance the development of its lead antibacterial, MGB-BP-3, against a range of Gram-positive infections including *Clostridium difficile* and methicillin-resistant and susceptible *Staphylococcus* species. MGB-BP-3 is the first antibacterial for over a decade with a novel mode of action from a truly novel class to be developed globally.

Funding of £2.7m has been provided by a syndicate of investors, led by Archangels, and includes existing investors Barwell PLC, TRI Cap and the Scottish Investment Bank, the investment arm of Scottish Enterprise. This brings the total funding secured by MGB Biopharma since the beginning of this year to £4.0m, including a prestigious £1.3m funding award announced in June by Innovate UK, formerly the Technology Strategy Board (TSB), under its Biomedical Catalyst programme.

Dr Miroslav Ravic, CEO of MGB Biopharma, said: “The danger posed by antimicrobial resistance to global public health is immense. Without new drugs to treat resistant bacteria we could easily slip into a “post-antibiotic era” where the chances of dying from a life-threatening infection could increase significantly. We believe that MGB-BP-3 has the potential to be the first truly novel antibiotic with a novel mode of action to be developed globally in more than a decade. This new funding from our existing investors confirms their continued commitment to MGB Biopharma and our strategy to deliver value from our unique approach to treating resistant bacterial infections. We are extremely grateful for the support from Scotland’s leading angel investors together with Scottish Enterprise, and combined with the recent Biomedical Catalyst funding award, we are well placed to accelerate the clinical development of oral MGB-BP-3.”

MGB Biopharma will use the funding to conduct a Phase I trial that will investigate the oral formulation of MGB-BP-3 for use in the treatment of *C. difficile* infections. Approximately 40 healthy subjects are expected to be enrolled into the single centre, double-blind, placebo controlled, Phase I trial to determine the safety and tolerability of single and multiple ascending doses of oral MGB-BP-3. The trial will also examine the effect of MGB-BP-3 on normal gut flora. It is expected to start in the first half of 2015.

In parallel to the clinical development of the oral formulation, MGB Biopharma will complete the pre-clinical development of the intravenous formulation of MGB-BP-3 and expects to be IND-ready by the end of next year. The intravenous formulation has shown activity in a broad range of hospital-acquired Gram-positive pathogens including resistant and susceptible *Staphylococcus*, *Streptococcus* and *Enterococcus* species. This new formulation of MGP-BP-3 is designed to broaden the utility of this novel antibiotic in the hospital environment where the medical need for new products to meet the challenge of microbial resistance is most acute.

John Waddell from Archangels, said: “We have been impressed with the progress in pre-clinical development made by MGB Biopharma since we first invested in the Company. Today we are announcing a significant additional investment into the Company by a syndicate of Scottish investors led by Archangels. This investment, together with the Biomedical Catalyst award, will enable the commencement of First-in-Man clinical studies. This important milestone represents

an excellent starting point to spearhead the fight against antibiotic resistance. We are confident that MGB-BP-3 could transform therapy in an area where better and more effective treatments are desperately needed.”

Professor David Littlejohn, Dean of the University of Strathclyde’s Faculty of Science, said: “We are committed to working with health services, industry and policy-makers to address the global need for new and better medicines for disease prevention throughout life. We are, therefore, delighted that MGB Biopharma has received further funding and grant support to advance this novel drug.

“MGB-BP-3, originally developed at the University and which we licensed to MGB Biopharma, has shown significant potential against *C. difficile* and a range of other serious Gram-positive hospital-acquired infections. We believe that this drug could make a real difference for patients and hospitals where such pathogens are prevalent. We look forward to continuing our collaboration with the company to develop new treatments against a broad range of resistant infections”

Notes

About MGB-BP-3 and MGB Biopharma’s platform

MGB Biopharma’s lead candidate, MGB-BP-3, is an antibacterial which is active against a broad range of the key multi-resistant Gram-positive pathogens. The Company has developed an oral formulation of MGB-BP-3 for the treatment of *C. difficile* that is ready to enter the clinic, whilst an I.V. formulation indicated for the treatment of a range of systemic hospital acquired Gram-positive infections is entering late-stage preclinical development.

MGB-BP-3 is a truly novel compound, based on minor groove binder (MGB) technology developed by the scientists from the University of Strathclyde. It represents a new class of drugs with a new mechanism of action that could transform the treatment of common, and potentially fatal, infectious diseases. In addition to medicines against Gram-positive pathogens, the MGB-based anti-infective platform has the potential to deliver drugs against multi-resistant Gram-negative pathogens, viruses, fungi and parasites.

About new antimicrobial government initiatives

The serious and potentially explosive threat from antimicrobial resistance and chronic underfunding in development of novel antibiotic treatments is now acknowledged globally by both political and public health leaders and agencies, with several governments creating incentives to encourage the development of novel antimicrobials.

GAIN act in the US: The FDA has set up the Antibacterial Drug Development Task Force to support the development of new antibacterial drugs, as part of the Generating Antibiotic Incentives Now (GAIN) Act signed into law in July 2012. The task force is a multi-disciplinary group of 19 Center for Drug Evaluation and Research scientists and clinicians who will use existing partnerships and collaborations to work with other experts in the field, including from academia, industry, professional societies, patient advocacy groups, and government agencies, to identify priority areas and develop and implement possible solutions to the challenges of antibacterial drug development.



IMI initiative in Europe: In Europe, The European Commission launched an Innovative Medicines Initiative (IMI) to promote research on new antibiotics aimed at improving the efficiency of research and development of new antibiotics through unprecedented open sharing of knowledge. This has resulted in the New Drugs 4 Bad Bugs (ND4BB) programme. Three projects have been launched to date and four projects are under development as part of the IMI's 9th and 11th Calls for proposals.

UK taskforce: The UK launched a major international review in July 2014 to address the growing problem of antimicrobial resistance. The review will investigate: stimulating investment in new antimicrobials; increasing international cooperation and support for action; making antimicrobial research more attractive to pharmaceutical companies; and ensuring effective and sustainable incentives for investment so drugs remain effective for as long as possible. The review is led by renowned economist Jim O'Neill, backed by the UK Department of Health and HM Treasury and £500,000 from the Wellcome Trust.

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About MGB Biopharma

MGB Biopharma is developing a truly novel class of anti-infectives. Its lead candidate, MGB-BP-3, is an antibacterial which is active against a broad range of the key multi-resistant Gram-positive pathogens. The Company has developed an oral formulation of MGB-BP-3 for the treatment of *Clostridium difficile* that is ready to enter the clinic, whilst an intravenous formulation indicated for the treatment of a range of systemic hospital acquired Gram-positive infections is in late-stage preclinical development.

MGB Biopharma has close links with the University of Strathclyde, with exclusive worldwide licence rights to the University's MGB patents for all fields except anticancer. The Company intends to work with partners to fully capitalise on the multiple value creating opportunities offered by its broad and novel anti-infectives platform.

The Company was founded in 2010 and is headquartered in Glasgow, Scotland. It is backed by Scottish investors including Archangel Informal Investment, Barwell, TRI Cap and the Scottish Investment Bank, Scottish Enterprise. For more information please visit www.mgb-biopharma.com.

About Archangel Informal Investments



www.archangelsonline.com

Archangels is Scotland's leading Business Angel Syndicate. Originally formed in 1992 and based in Edinburgh, the syndicate now comprises over 100 investor members and invests c. £10m per year in early stage Scottish companies, including leverage from partners the largest being the Scottish Investment Bank.

About the Scottish Investment Bank

The [Scottish Investment Bank](#) is the investment arm of Scottish Enterprise, operating Scotland-wide in partnership with Highlands and Islands Enterprise. It manages a suite of funds including the Scottish Co-investment Fund and the Scottish Venture Fund, which are partly funded by the European Regional Development Fund (ERDF); the Scottish Seed Fund, the Scottish Recycling Fund and the Renewable Energy Investment Fund. SIB is also the cornerstone investor in the privately-managed Scottish Loan Fund and an investor in Epidarex Capital's life sciences fund. These support Scotland's SME funding market to ensure businesses with growth and export potential have adequate access to capital. SIB also provides a team of financial readiness specialists to help companies prepare for new investment and more easily access finance.

About the University of Strathclyde

The University of Strathclyde is a leading international technological university, which is recognised for strong research links with business and industry, commitment to enterprise and skills development, and knowledge sharing with the private and public sectors. The University was named UK University of the Year in the 2012 Times Higher Education (THE) Awards. In the 2013 THE Awards, the University was named Entrepreneurial University of the Year.