

Press release

Medigene acquires Trianta Immunotherapies

Press and analysts conference call with webcast today, 27 January 2014, 3 p.m. (CET)

- **Transformative acquisition boosts Medigene's pipeline through three complementary T cell-focussed immunotherapy platforms with clinical development programs to treat cancer**
- **Medigene will leverage Trianta's key immunology know-how and integrate a team of experts to be led by Prof. Dolores J. Schendel as Chief Scientific Officer**
- **Milestone-based acquisition for approx. 1 m newly issued Medigene shares for approx. EUR 4 m plus future milestone payments**
- **Unchanged cash reach at least until beginning of 2015**

Martinsried/Munich, 27 January 2014. [Medigene AG](#) (MDG1, Frankfurt, Prime Standard) has acquired the Munich-based company, Trianta Immunotherapies GmbH (Trianta), a spin-off of the Helmholtz Zentrum München. Trianta is developing three highly innovative and complementary immunotherapy platforms with programs in clinical development to treat various tumour types. Trianta's proprietary technologies will enhance Medigene's advanced pipeline with cutting-edge therapies. Prof. Dolores J. Schendel, Managing Director of Trianta and Director of the Institute for Molecular Immunology at the Helmholtz Zentrum München, is intended to join the Executive Management Board of Medigene as Chief Scientific Officer and will be accompanied by her team of 15 immunotherapy specialists from the Helmholtz Zentrum.

Trianta is at the forefront of personalized T cell immunotherapy, focussing on next generation antigen-tailored dendritic cell (DC) vaccines, T cell receptor (TCR)-based adoptive cell therapy and T cell-targeted antibodies (TABs). Trianta's DC vaccines are being evaluated in two ongoing, externally funded investigator-initiated trials: a clinical phase I/II trial in acute myeloid leukaemia (AML) at the Ludwig-Maximilians University Hospital Großhadern, Munich, and a clinical phase II trial in prostate cancer at the Oslo University Hospital. Previous clinical compassionate use studies with Trianta's DC-vaccines have already provided encouraging data for safety and clinical benefits in several tumour types.

Acquisition structure and financials: Medigene has acquired 100% of Trianta shares. The previous Trianta shareholders will receive 1,017,811 newly issued Medigene shares worth approximately EUR 4 million and potential incremental payments in further Medigene shares or in cash of up to a maximum total of EUR 5.875 million upon the achievement of future milestones. Medigene will partly utilize its authorized capital to issue 1,017,811 new shares which will be subject to a lock-up period of 12 months. This capital measure will increase Medigene's share capital from currently EUR 9,872,139.00 by EUR 1,017,811.00 to EUR 10,889,950.00. Medigene's management continues to anticipate that funding is secured until at least the beginning of 2015. Additional financial and operational guidance will be provided with the annual financial and operations report and conference call on 27 March 2014.

Frank Mathias, Chief Executive Officer of Medigene, comments: "This is a truly transforming acquisition for Medigene. Immunotherapy is regarded as the future of cancer therapy with exciting scientific breakthroughs and increasing interest of the pharmaceutical industry. In this promising sector we have secured access to world-class science and innovative therapy platforms with programs that are being evaluated in patients. It strengthens our expertise in the fields of oncology and immunology and paves the way for sustainable growth. Prof. Dolores Schendel is a renowned expert in immunology with many years of management experience.

She and her highly qualified, well-established team will make a significant contribution to Medigene's future."

Prof. Dolores J. Schendel, Managing Director of Trianta and designated Chief Scientific Officer of Medigene, explains: "T cells activated by dendritic cells are by nature the best weapons against cancer. The understanding of immune mechanisms has increased enormously over the last decade, and now our vision of activating T cells to effectively combat cancer is becoming a clinical reality. Trianta will benefit from Medigene's experienced team and established operational structures. The union of our two companies will unlock diverse synergies to take our therapy platforms and innovative drug candidates through clinical development with the goal to improve lives of seriously ill patients."

Peter Llewellyn-Davies, Chief Financial Officer of Medigene, states: "We will now combine promising proprietary immunotherapy platforms with late stage drug candidates and a marketed product. Medigene has developed drugs to market, is currently leading two other drug candidates to advanced clinical development and closed successful partnerships. With the acquisition of Trianta, we are now achieving our next strategic goal of strengthening Medigene's drug pipeline through high-quality clinical projects with innovative unique selling points. The newly acquired therapy platforms will provide a competitive and sustainable extension of our portfolio of drug candidates, opening up multiple partnering and financing opportunities."

About Trianta: Based on more than 15 years of extensive research in the field of immunotherapy, Trianta Immunotherapies GmbH was founded late 2013 as a spin-off of the Helmholtz Zentrum München, the German Research Centre for Environmental Health. Trianta exploits the therapeutic and commercial potential of T cell-focused therapies developed by the team of Prof. Dolores J. Schendel at the Helmholtz Zentrum Munich, in collaboration with Prof. Thomas Blankenstein at the Max Delbrück Centre for Molecular Medicine, Berlin. The team of Trianta pursues three complementary immunotherapeutic strategies to target various tumour types and stages. Each one is focused on T cells, a type of white blood cell that plays a pivotal role in immunity.

Dendritic cell (DC) vaccines

Clinical stage, suited for treatment of minimal residual disease or use in combination therapies:

Trianta has established a dendritic cell product platform that allows the design of next generation dendritic cell vaccines. Dendritic cells can take up antigens efficiently, process them and present them on their surface in a form that can induce T cells to divide and mature. Dendritic cells can also induce natural killer cells to become active and attack tumour cells. Trianta has established new, fast and efficient methods for preparation of autologous (patient-specific) mature dendritic cells that have relevant characteristics to activate both T cells and natural killer cells. They are developed to carry multiple tumour antigens to treat various types of cancer.

T cell receptor- (TCR) modified T cells

Late preclinical stage, suited for the treatment of advanced cancer:

The second therapy approach of Trianta aims to utilize the body's own machinery – the T cell – to target and destroy cancer by arming normal patient-derived T cells with new T cell receptors that enable them to detect and efficiently kill tumour cells. This form of immunotherapy is supposed to overcome a patient's tolerance to cancer since the T cells of the patient are activated and modified outside the body, away from generalized immune suppression in the patient. Compared to small molecule or antibody based therapies this approach can be used for new targets to fight tumours. A large army of specific T cells is made available to patients within just 10 days. Trianta is currently establishing a comprehensive library of recombinant T-cell receptors and a GMP-compliant process for their combination with patient-derived T cells.

Anti-TCR monoclonal antibodies (TABs)

Proof of technology, intended for the treatment of T cell-mediated diseases or in preparation of transplantations

The third product platform of Trianta is based on the generation of monoclonal antibodies that recognize T cells on the basis of their unique T cell receptors (T cell antibodies - TABs). TABs are intended for taking out unwanted T cells to treat T cell-mediated diseases, including T cell leukemia and different types of autoimmune diseases. Trianta has established proof of technology in preclinical studies with the isolation and characterization of monoclonal antibodies with various specificities that distinguish different T cell receptors.

Trianta team members have attracted public grants to fund early developmental work, including an m⁴ award of the Bavarian Ministry of Economic Affairs and a grant under the EXIST programme of the Federal Ministry of Economics and Technology (BMWi). Trianta's shareholders are DJSMontana Holding GmbH (Munich), BioM AG (Planegg/Martinsried), Prof. Dr. Thomas Blankenstein (Berlin) and Ascenion GmbH (Munich).

About Prof. Dolores J. Schendel: Prof. Dolores J. Schendel, Managing Director of Trianta Immunotherapies GmbH, has been Director of the Institute of Molecular Immunology of the German Research Center for Environmental Health since 1998 and has held a professorship in immunology at the Ludwig Maximilian University of Munich since 1986. Her research focuses on human immunology and immunotherapy. She has led preclinical groups for GMP process development and immune monitoring for clinical studies. Prof. Schendel has experience in building and guiding diverse teams required to initiate clinical studies of new immunotherapy strategies based on DC vaccines and adoptive T cell therapy. She has served as a Member of the German Cancer Aid Grants Review Panel and as Chair of a Life Science Study Panel of the European Research Council.

Kempen & Co., Amsterdam, acted as advisor to Medigene in the acquisition of Trianta.

Press and analysts' conference call: A press and analysts conference call (in English) will be held today at 3 p.m. CET and will be webcast live. The synchronized presentation slides and a recording can be accessed via Medigene's website, www.medigene.com

Medigene AG is a publicly listed (Frankfurt: MDG1, prime standard) biotechnology company headquartered in Martinsried near Munich, Germany. Medigene focuses on clinical research and development of novel drugs against cancer and autoimmune diseases. Medigene is the first German biotech company to have revenues from a marketed product, Veregen[®], which is distributed by commercial partners companies. Medigene has two drug candidates in clinical trials, EndoTAG[®]-1 and RhuDex[®], and is developing an innovative vaccine technology. Further information at www.medigene.com.

This press release contains forward-looking statements representing the opinion of Medigene as of the date of this release. The actual results achieved by Medigene may differ significantly from the forward-looking statements made herein. Medigene is not bound to update any of these forward-looking statements. Medigene[®], Veregen[®], EndoTAG[®] and RhuDex[®] are registered trademarks of Medigene AG. These trademarks may be owned or licensed in select locations only.

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