Avillion Advances Co-development Programme with Merck: IND now open for Phase 2 Study of M1095, an anti-IL-17 A/F Nanobody® in psoriasis

London, UK, February 16, 2018 – Avillion LLP, a drug development company focused on the co-development and financing of pharmaceutical candidates from proof-of-concept through to regulatory approval, announces that it has opened an Investigational New Drug (IND) application for a Phase 2 study in plaque psoriasis under its co-development agreement with Merck (Darmstadt, Germany), a leading science and technology company. Avillion and Merck signed a co-development agreement in 2017 under which Avillion will develop, and finance the development of M1095, Merck's anti IL-17 A/F Nanobody® from Phase 2 through Phase 3 to regulatory submission.

Avillion is focused on this collaborative approach to advancing the development of late-stage clinical candidates for pharmaceutical company partners. Avillion provides development expertise in addition to financing, with the aim of boosting R&D productivity for its partners. Avillion's first co-development agreement saw the Company successfully conduct a Phase 3 trial of Pfizer's BOSULIF® (bosutinib), which led to its accelerated approval in the US in December 2017 for newly-diagnosed chronic phase Ph+ chronic myelogenous leukemia (CML).

The new trial with M1095 is a Phase 2b randomized, double-blind, placebo controlled, multi-centre study designed to assess its efficacy, safety and tolerability in up to 300 subjects with moderate to severe chronic plaque-type psoriasis (NCT identifier NCT03384745).

Allison Jeynes-Ellis, MD, Chief Executive Officer of Avillion, said: "We are delighted with the progress being made in our collaboration with Merck. Development of the novel bi-specific nanobody M1095 is our second major product development opportunity following the success with Pfizer's BOSULIF, and to receive FDA acceptance of our IND for a Phase 2 trial is the first operational milestone in this project. We are pleased with how industry awareness of the capabilities of the team is growing and look forward to announcing further developments in the future."

In less than five years, Avillion has entered into co-development agreements under both US and EU accounting principles (GAAP and IFRS), conducted a Phase 3 programme, secured an accelerated approval for one product, and opened an IND with a planned Phase 2 trial for second candidate.

The Anti IL-17 A/F Nanobody® M1095 is an investigational bi-specific half-life-extended Nanobody that is thought to neutralise both IL-17A and IL-17F with the potential to treat inflammatory diseases. Due to the small size and unique structure of Nanobodies®, they could be an ideal building block for a new generation of novel biological drugs. Merck acquired full, exclusive rights to anti IL-17 A/F Nanobody® through a global development and commercialisation deal with Ablynx in 2013. Avillion entered into a co-development agreement with Merck for the Phase 2 and Phase 3 development of the candidate in March 2017.

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About Avillion

Avillion LLP is a drug development company with an innovative business model focusing on the clinical co-development and regulatory approval of pharmaceutical products. Avillion offers a compelling opportunity to partner assets from post proof-of-concept through to regulatory approval

globally and to accelerate their development and hence availability to patients. Avillion's objective is to enable its partners to continue to develop the drug candidates in their pipeline whilst maintaining quality data without increasing the burden on their P&L or cash reserves. Avillion can achieve this by incurring 100% of the clinical and regulatory risk, while advancing the development of these assets in return for milestone and royalty payments on the commercialisation of successfully developed products.

To date, Avillion has advanced Pfizer's BOSULIF® (bosutinib) successfully through Phase 3 trials and provided the clinical data used to gain US approval to expand its use to include patients with newly diagnosed chronic phase Philadelphia chromosome-positive (Ph+) chronic myeloid leukaemia.

Avillion is also undertaking Phase 2 trials with Merck's anti IL-17 A/F Nanobody® in plaque psoriasis.

Avillion was founded in 2012 in London, UK, and is backed by Abingworth, Clarus Ventures and Royalty Pharma.

www.avillionllp.com

About Merck
Merck is a leading science and technology company in healthcare, life science and performance materials. Around 50,000 employees work to further develop technologies that improve and enhance life – from biopharmaceutical therapies to treat cancer or multiple sclerosis, cutting-edge systems for scientific research and production, to liquid crystals for smartphones and LCD televisions. In 2016, Merck generated sales of €15.0 billion in 66 countries.

Founded in 1668, Merck is the world's oldest pharmaceutical and chemical company. The founding family remains the majority owner of the publicly listed corporate group. Merck holds the global rights to the Merck name and brand. The only exceptions are the United States and Canada, where the company operates as EMD Serono, MilliporeSigma and EMD Performance Materials.

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