PRESS RELEASE

AB2 Bio Ltd raises CHF 21 million (USD 21 million) in Series B financing round

- **Over CHF 41 million raised since the foundation of the company**
- **Strong commitment from current and new investors**
- **Company funded through Phase II trial in Adult onset Still's disease and a pivotal Phase III trial in a rare genetic disease**

Lausanne (Switzerland), January 11, 2016. The Swiss biotech company AB2 Bio Ltd, specialized in developing innovative therapies for the treatment of severe systemic inflammatory diseases, today announced the successful completion of its Series B financing round. The company raised CHF 21 million (USD 21 million) from current and new investors.

Dr. Andrew Sleight, CEO of AB2 Bio Ltd, commented: "The successful financing round will enable us to conduct a pivotal Phase III clinical trial in patients carrying a mutation of the NOD-like receptor C4 (NLRC4) gene and to complete the ongoing Phase II clinical trial in Adult onset Still's disease. IL-18BP together with the company's proprietary assay offers a safe and potentially transformative treatment for severe inflammatory diseases." Fernando Cunha, CFO of AB2 Bio Ltd, added: "The strong commitment of our shareholders demonstrates their confidence in the company's strategy and potential".

Dr. Patrick Soon-Shiong, Founder of the Chan Soon-Shiong Institute of Molecular Medicine, a non-profit medical research institute, and NantWorks, an ecosystem of healthcare companies, said: "We believe that transformative advancements in disease management begin with diagnoses at the molecular level. The profound efficacy observed for Tadekinig alfa (IL-18BP) in the setting of infantile macrophage activation syndrome resulting from NLRC4 mutation-associated elevation of IL-18 drives our enthusiasm for this agent and the innovative methodologies that continue to guide the clinical development process."

CHF 21 million round B

The successful financing of CHF 21 million (USD 21 million) has been subscribed not only by existing investors but also by new investors who have now committed a total of over CHF 41 million in two financing rounds since the foundation of the company in 2010. The proceeds will enable AB2 Bio to complete its current and ongoing Phase II clinical trial with IL-18BP in Adult onset Still's Disease, to conduct and complete a pivotal clinical trial of IL-18BP in patients carrying NLRC4 mutations and to broaden the company's pipeline.

AB2 Bio expects to report results from the Phase II clinical trial in Adult onset Still's Disease in 2016.

About Interleukin-18 Binding Protein (IL-18BP), a safe and transformative potential treatment in inflammatory diseases

While the time-limited inflammatory response is a natural mechanism intended to limit harm to the body, dysregulated and persistent inflammatory processes are the basis of several chronic inflammatory and autoimmune diseases. IL-18BP is a human protein with a high affinity for IL-18, a

major inflammatory cytokine. In healthy people, there is a large excess of naturally occurring IL-18BP keeping levels of free IL-18 low. However, in patients with certain inflammatory diseases, the IL-18/IL-18BP balance is disrupted, resulting in high levels of free and active IL-18, which in turn leads to pathological inflammation. Administration of AB2 Bio's exogenous recombinant human IL-18BP restores the IL-18/IL-18BP balance, removing free IL-18 and thereby reducing inflammation. AB2 Bio has developed the first and unique proprietary assay detecting free IL-18 allowing the identification of clinical entities that are driven by free IL-18. As patients with high levels of free IL-18 can be identified, the clinical impact of treatment with IL-18BP will be maximized. The patients unlikely to respond to the treatment will not be unnecessarily exposed to ineffective medicines. Extensive Phase I and Ib clinical trial results have demonstrated that IL-18BP is very well tolerated and has an excellent safety profile.

About NLRC4 mutations and pivotal Phase III clinical trial

Recently, single point mutations in the NLRC4 gene have been identified. These genetic and gain of function mutations give rise to severe, life threatening systemic inflammation as they are associated with extremely high levels of IL-18, the therapeutic target of AB2 Bio.

In Summer 2015, AB2 Bio successfully treated, on a compassionate use basis, a critically ill baby girl carrying an NLRC4 mutation and with major systemic inflammation with its experimental drug, IL-18BP. In September 2015, it was reported that the patient has entered into full remission. In November, 2015, this extraordinary case report was presented at the Annual Meeting of the American College of Rheumatology and was very well received. Building on this proof of concept, AB2 Bio will start in 2016 a pivotal Phase III clinical trial with its experimental drug IL-18BP in these patients.

About Adult onset Still's Disease and Phase II clinical trial

Adult onset Still's disease (AoSD) is a rare disease associated with high fevers, rash and joint pain. This debilitating condition can result in permanent disabilities and may need of aggressive immunosuppression. It can also lead to long-term chronic arthritis. The cause of AoSD is not known but it is associated with high levels of circulating free IL-18. There are currently no registered treatments for AoSD. Still's disease was first described in 1897 by the British physician Sir George Frederic Still.

The ongoing clinical trial, is an open-label, multicenter, dose-escalating Phase II study with the primary objectives to investigate the safety, tolerability, and early signs of efficacy of subcutaneous administrations of IL-18BP in AoSD patients. Results are expected in 2016.

About AB2 Bio Ltd

AB2 Bio Ltd, located on the Innovation Park at the École polytechnique fédérale de Lausanne (EPFL), is specialised in the development of treatments against inflammatory diseases. The Swiss biotech company is developing drugs that will not only treat the symptoms but particularly target the underlying causes of inflammation-based diseases. Please find further information on www.ab2bio.com.

Media Contacts

Daniel Piller, Partner IRF Communications AG, Phone +41 43 244 81 54, daniel.piller@irfcom.ch