

Press Release

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Phenex AG reaches milestone in collaboration with Janssen *Milestone payment results in further profitability in fiscal year 2015, continuing the trend from 2014*

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Phenex Pharmaceuticals AG (Phenex) today announced the achievement of a milestone in the collaboration with Janssen Biotech, Inc. (Janssen), which triggers a 6 M US\$ payment by Janssen. In late 2012, Phenex and Janssen entered into a research collaboration on RORgt with a view to develop new therapeutic approaches for chronic inflammatory and autoimmune diseases.

This milestone payment together with further income from other collaborations enables Phenex to continue its profitability from 2014 into 2015. In 2014, Phenex has received a significant downpayment from the asset sale of its FXR program to Gilead Sciences which turned the company highly profitable.

“We regard this milestone achievement as an award for the very transparent and productive collaboration between the Janssen and the Phenex team in the research phase of this project,” comments Thomas Hoffmann, CFO of Phenex AG.

“We believe in the strong capabilities of our well selected partners and are therefore very confident to obtain further milestones out of both collaborations in the nearby future,” adds Dr. Claus Kremoser, CEO of Phenex. “As early as 2016 we will likely see further income to Phenex from collaborations, and together with our rich pipeline of newly initiated projects we see Phenex being well prepared for the future years to come.”

After the successful outlicensing and partnering of the previous core projects FXR (NASH) and RORgt (autoimmune/inflammation) to the global market leaders in the respective disease areas, Gilead Sciences and Janssen, respectively, Phenex now invests the proceeds into new drug

discovery projects. The focus of these research activities builds on the previously established expertise in the field of liver/gastrointestinal as well as chronic inflammatory and autoimmune diseases. These two focus areas have now been complemented by a third focus in cancer research. Phenex solely invests into its research site in Heidelberg, Germany. Beyond the recent hirings of highly qualified personnel in 2015, Phenex will continue to attract young and experienced scientific talents in 2016 to further broaden its capabilities and expertise.

About Phenex Pharmaceuticals AG:

Phenex is a privately held drug discovery and development company headquartered in Ludwigshafen with a research site in Heidelberg. The biopharmaceutical company can now build on thirteen years of expertise in exploring and defining innovative, potent and selective new drug candidates from small molecules. Phenex' R&D activities are centered around diseases of liver / gastrointestinal tract, inflammation / autoimmune as well as cancer. It is the company's goal to partner and outlicense drug programs in areas with major market potential to global players from the biopharmaceutical industry while pursuing own drug development in niche areas with particular high medical needs.

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