



Apaxen raises €3.3 million in Series A Financing to Develop Breakthrough Anti-inflammatory Therapeutics for Pulmonary Arterial Hypertension (PAH)

Gosselies, Belgium, September 11, 2019 – Apaxen, a privately-held biotechnology company, which brings new treatment options to patients in a wide range of therapeutic indications related to chronic inflammation, with a primary focus in pulmonary arterial hypertension (PAH) and other deadly pulmonary diseases, announced today that it successfully closed a €3.3 million Series A financing round.

Led by Theodorus, the series A funding gathered Sambrinvest, Innovation Fund and Financière Spin-off Luxembourgeoise along with members of “Be Angels”, one of the most important Business Angels network in Europe.

The funds will be used to reinforce the Company’s team, to support Apaxen’s lead drug candidate development, MFC-1040, through to the human proof-of-concept in PAH, to expand its range of indications, and to complete IND-enabling studies of a novel anti-MIF lead candidate for use in other chronic inflammatory diseases.

MFC-1040, is a novel, first-in-class, orally bioavailable and selective small molecule MIF inhibitor, which has demonstrated efficacy in multiple animal models of PAH (*J. Med. Chem.* 2018, 61, 2725-2736). It also showed efficacy in an animal model of idiopathic pulmonary fibrosis (*Int. J. Mol. Sci.* 2018, 19, 4105). MFC-1040 has a unique mechanism of action that combines potent anti-inflammatory, anti-fibrotic and anti-proliferative effects. It has the potential to revolutionize the standard of care of PAH, by halting or reverting the progression of the disease while current therapies only address the symptoms of the disease. The company technology is based on research and development of small molecule inhibitors of macrophage migration inhibitory factor (MIF), a pleiotropic pro-inflammatory cytokine that is a crucial regulator of innate immune responses (*Drug Discovery Today* 2019, 24, 428-439).

Founded in 2018 by Gael Jalce, PhD, Chief Scientific Officer, and Enrico Bastianelli, MD, MBA, Strategic Advisor, the strategy of Apaxen is to develop its lead drug candidate (MFC-1040) through to the proof-of-concept in patients with PAH, and to bring forward further drug candidates that address unmet medical needs in other chronic inflammatory pulmonary or neuroinflammatory diseases.

Joël Crouzet, PhD, the new Chief Executive Officer, joined Apaxen in 2019 to complete the fundraising and manage the operations. The team combines extensive pharmaceutical experience of drug discovery and development and is supported by a world-class team of scientific advisors. Moreover, Apaxen is located within the Brussels South Charleroi BioPark within an ideal environment for an emerging biotech company including academic research institutes (2 universities) and developing biotech companies.

Joel Crouzet, Chief Executive Officer of Apaxen stated: “*All the Apaxen team is eager to move MFC-1040 towards the clinic and bring to patients with deadly pulmonary diseases this groundbreaking drug candidate. We are proud to develop this technology of French origin, acquired by Apaxen, within the stimulating and favorable environment of the Brussels South Charleroi BioPark where we are localized and which will allow us to grow rapidly.*”

Gael Jalce, Chief Scientific Officer of Apaxen, said: “*MIF and its receptor CD74 are up-regulated in patients with PAH. Recent preclinical studies demonstrated significant efficacy for anti-MIF MFC-1040 against pulmonary hypertension in three different rodent models of the disease. Targeting MIF, which occupies an upstream position in the inflammatory cascade, may represent a breakthrough therapeutic approach to PAH and other diseases associated with chronic inflammation.*”

Lotfi Yelles, Partner at Theodorus, commented: “*Apaxen is based on an innovative Mechanism of Action (MIF) and targets diseases with significant medical needs (including PAH) for which there have been high value deals in the last years. We are also confident Apaxen’s experienced team will successfully bring the development of MFC-1040 towards the clinics.*”

About Apaxen

Apaxen is a Belgium privately held biotechnology company focused on the discovery and development of first-in-class small molecule inhibitors of pleiotropic pro-inflammatory cytokine “Macrophage migration Inhibitory Factor (MIF)” for the treatment of chronic inflammatory diseases, with a focus on deadly pulmonary diseases. Upstream in the inflammatory cascade, MIF, a crucial regulator of innate immune responses, plays a role in the regulation of macrophage function in host defense through the suppression of anti-inflammatory effects of glucocorticoids. The Company’s lead compound, MFC-1040, an orally bioavailable and selective small molecule MIF inhibitor, is being developed for the treatment of pulmonary arterial hypertension (PAH), a rare and fatal disease, where approved treatments are symptomatic and associated with low median survival. Apaxen has acquired exclusive worldwide rights on the anti-MIF technology, including patent families protecting MFC1040 and its uses, of Mifcare (France). For more information, please visit: www.apaxen.com

About PAH

Pulmonary arterial hypertension (PAH) is a rare, chronic and life-threatening disease characterized by an abnormal and progressive increase in blood pressure in the small pulmonary arteries leading ultimately to right heart failure and death. This increased blood pressure is caused by the narrowing of the small pulmonary arteries which are the blood vessels that carry blood from the right side of the heart through the lungs. There is no cure for PAH. Available therapies are agents that focus on improving the vasoconstriction-vasodilation balance without addressing the underlying cause of the disease. As a result, five-year median survival which is nearly 57% remains low despite treatment. Although the exact mechanisms

leading to the onset and progression of PAH are still not yet fully understood, increasing scientific evidence points towards an inflammatory component underlying PAH.

About IPF

Idiopathic pulmonary fibrosis (IPF) is a rare, chronic and life-threatening disease in which the tissues of the lungs become progressively thick and stiff. As a result of thickening of lung tissues, brain and other organs are unable to receive optimum oxygen. There is no cure for IPF. The clinical prognosis of patients with IPF remains poor as the median survival at diagnosis is 2 to 5 years. Importantly, pulmonary hypertension (PH) is considered as one of the principal predictors of mortality in patients with IPF. Although current treatment options are available, they don't improve lung function, and the disease continues to progress in the majority of patients. Therefore, there is still significant unmet medical need in IPF.

About Theodorus

Theodorus is an early stage Venture Capital fund based out of Brussels with 55m€ under management across 4 funds. It was founded in 2003 and invests mostly in early stage ventures in lifeSciences and Tech, with a focus on spin offs from Université Libre de Bruxelles (ULB) which is Theodorus' historical partner. As of 2018 end, Theodorus has invested in 36 companies. For more information, please visit: www.theodorus.be

About Innovation Fund

Created in February 2015, Innovation Fund invests in innovative startups and companies active in the field of chemistry and life sciences. The fund has a capital of EUR 28 million, financed for more than 60% by major companies in the sector, bringing unique industrial support value to the investment projects. The remaining 40% is held by national and regional investment funds, universities, banks and individuals. To date, the Innovation Fund has already invested in 25 companies. For more information, please visit: www.innovationfund.eu

Financière Spin-off Luxembourgeoise (InvestSud Group)

Financière Spin-off Luxembourgeoise S.A. is a specialized VC fund investing in seed and early-stage startups. Its portfolio of companies features some of the leading young technological companies in Wallonia. Financière Spin-off Luxembourgeoise S.A. belongs to the INVESTSUD Group, which is a private equity firm in Wallonia, Belgium, dedicated to accompanying small and medium-sized family companies with equity or quasi-equity funds. For more information, please visit: <https://investsud.be/>

About Sambrinvest

With 30 years of experience alongside entrepreneurs, more than 200 companies in portfolio and €150M under management, Sambrinvest is a major venture capital player in the region of Charleroi-Sud Hainaut in Wallonia. As part of the health-tech ecosystem built around the Biopark of Charleroi, Sambrinvest is also active in this sector by investing in companies such

as NCardia, Promethera Biosciences or Immunxperts. For more information, please visit: www.sambrinvest.be

About Be Angels

Be Angels brings together entrepreneurs looking for support and financial means and private investors, Business Angels, ready to invest in promising companies. With 19 years of experience and 300 members, Be Angels has built one of the most important Business Angels networks in Europe. The project leaders are very well taken care of, and are connected with Business Angels who will be able to increase their chances of success. Be Angels allows its members to invest according to their wealth, time availability, and investment objectives. For more information, please visit: www.beangels.eu

Apaxen

Joel Crouzet, PhD

Chief Executive Officer

j.crouzet@apaxen.com