

ENGENE™



Press Release

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enGene raises CAD 13.5 million (US\$11.5M) to develop intestinal gene delivery platform

Montréal, January 26, 2015 – enGene Inc., a Montréal-based biotechnology enterprise developing an innovative platform technology for delivering genes to cells lining the gastrointestinal tract, announced today the closing of a \$13.5 million Series B investment round led by Forbion Capital Partners, with participation of new investors Québec's Fonds de solidarité FTQ and Pharmstandard International S.A.. Existing investor Lumira Capital via its Merck Lumira Biosciences Fund, which led the Series A round in 2013, also participated.

enGene Inc. is a biotechnology company that focuses on the discovery and development of novel DNA-based therapeutics using its proprietary delivery platform. It has developed a robust carrier for delivery of DNA or RNA to the gut, effectively turning the gut into a protein factory. enGene is initially applying its unique platform technology to deliver immune-modulating biologics to the intestine and has demonstrated efficacy as a mucosal immunotherapy in several animal models for autoimmune diseases including, inflammatory bowel disease (IBD) and Type 1 diabetes. enGene's gene delivery technology for the gut is highly efficient, non-toxic and it can be dosed repeatedly by enema or formulated as an orally available solid dosage form.

Proceeds from the series B financing round will be used to advance enGene's lead product, EG-12, into phase I/II clinical trials. EG-12 consists of a unique carrier-DNA complex that provides gut-localized expression of IL-10 being developed for the treatment of ulcerative colitis (UC). IL-10 is an anti-inflammatory cytokine and individuals with genetic defects within the IL-10 signaling pathway suffer from severe early-onset inflammation of the gut. In addition, enGene will finalize the oral formulation of its carrier to create a "gene pill" that can be used to turn the gut into an endogenous production site for a wide range of systemically available therapeutic proteins that currently have to be administered by injection or infusion.

"While there has historically been a huge interest in the delivery of RNA in all its forms, non-viral delivery of DNA has surprisingly received little attention", commented Dr. Sander van Deventer, Managing Partner of Forbion and a recognized expert in gastroenterology. "The unique technology of enGene effectively turns the gut into a protein factory, and given the strong genetic relation between IL-10 and ulcerative colitis, we expect EG-12 to provide significant benefit to IBD patients. Moreover, as the technology seems very well suited for oral formulation there is the potential for what is called a 'gene pill'. This novel technology could be used to treat not only IBD, but a much wider range of diseases, including those that are currently treated by parenteral protein replacement therapy. Forbion is very excited to have led this financing round".

“The Fonds de solidarité FTQ’ investment in enGene shows our commitment to working with venture funds specialized in health sciences. This financing from a solid group of international investors will allow enGene to rapidly move forward with the development of its platform for unmet medical needs in the multi-billion dollar IBD market, as well as prove the potential of the ‘gene pill carrier’,” commented Alain Denis, Senior Vice-President, New Economy at the Fonds de solidarité FTQ.

“Indeed, we were very much impressed by solid scientific expertise at enGene confirmed by outstanding EG-12 preclinical data package. Given the strategic interest of Pharmstandard in the IBD space, we are delighted to expand our franchise in that area through enGene, and particularly honored to continue working with our partner investors,” continued Dr. Andrei Petrov, Chief Executive Officer of Inbio Ventures, a management company representing Pharmstandard International S.A.

“The team has made great progress since our initial investment and we are pleased and excited with the quality of investors joining us in this venture,” said Lumira Managing Director, Dr. Brian Underdown.

“This new round of investment is a testament to the innovative work conducted by our research team in the last 2 years in developing a best-in-class formulation for delivering genes to the gut. We have demonstrated that this proprietary platform technology can be used effectively to localize delivery of protein drugs to the gut,” said Dr. Anthony Cheung, President and CEO of enGene. “Another recent exciting development is that we have succeeded in turning our drug formulation into an orally available ‘gene pill’. This breakthrough has unlocked the huge potential of enGene’s core technology in enabling delivery of protein-based drugs via the oral route. Part of the proceeds from this financing will be used to develop a ‘gene pill’ to achieve oral delivery of a long-acting insulin and GLP-1 analog for subjects with Type 2 diabetes,” Dr. Cheung further commented.

About enGene Inc.

enGene Inc. is a private Canadian biotechnology company developing an innovative mucosal immunotherapy platform for treating several prevalent, chronic diseases including inflammatory bowel disease (IBD) and diabetes. enGene has developed a proprietary, highly flexible, non-integrating biopolymer-based nucleotide (DNA and siRNA) delivery technology that facilitates localized delivery of immune-modulating proteins to the intestinal mucosa for treating various immune disorders. enGene’s unique nucleotide delivery formulation can be delivered to the gut via oral or enema route. For more information, please visit www.engeneinc.com.

About Forbion Capital Partners

Forbion Capital Partners is a dedicated Life Sciences venture capital firm with offices in Naarden, The Netherlands, Munich, Germany and representation in Boston, US. Forbion invests in life sciences companies in drug discovery & development as well as medical device companies addressing substantial unmet medical needs. Forbion’s investment team of ten investment professionals has built an impressive performance track record since the late nineties with successful investments in Rhein Biotech, Crucell, Neutec, Glycart, Borealis, Impella, Alantox, Acorda (ACOR), Fovea, Insmed (INSM), PanGenetics, Argenta Discovery, BioVex, Pathway Medical, CircuLite, bluebird bio (BLUE), uniQure (QURE), Argos (ARGS), arGEN-X (ARGX.BR), Santaris and Pneumrx. Forbion also operates a joint venture with BioGeneration Ventures, who

manages two separate seed and early stage funds focused on Benelux. Including the new fund FCF III, Forbion manages EUR 540M across 5 funds. Its investors include the EIF through its European Recovery Programme (ERP), LfA and Dutch Venture Initiative (DVI) facilities. For more information, please visit www.forbion.com.

About the Fonds de solidarité FTQ

The Fonds de solidarité FTQ helps drive our economy. With net assets of \$10.5 billion as of November 30, 2014, the Fonds is a development capital fund that channels the savings of Quebecers into investments in all sectors of the economy to help create and maintain jobs and further Québec's development. The Fonds is a partner, either directly or through its network members, in more than 2,450 companies. With more than 600,000 shareholder-savers, the Fonds helps create, maintain and protect more than 172,000 jobs. For more information, visit www.FondsFTQ.com.

About Lumira Capital

Lumira Capital is a leading life sciences and healthcare venture capital firm, with offices in Toronto, Montreal, and Boston. The firm is focused on partnering with entrepreneurial management teams and other leading venture capital and corporate investors to build best-in-class, innovation centric life sciences companies that are seeking to meet significant needs in the global landscape. Lumira closed two new funds in March 2012, Lumira Capital II and the Merck Lumira Biosciences Fund. Lumira is the Canadian Venture Capital and Private Equity Associations' 2013 venture capital deal of the year award winner for its realized investment in KAI Pharmaceuticals. For more information, please visit www.lumiracapital.com.

About Pharmstandard International S.A.

Pharmstandard International S.A. – is a venture investments company fully owned by OJSC Pharmstandard (LSE:PHST) – focused on innovative drugs/therapies with strong potential in global markets and in Russia. Inbio Ventures is a management company representing Pharmstandard International S.A., and providing professional support in venture transactions. For more information, please visit www.inbio-ventures.com.

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Source : enGene inc.

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