



FOR IMMEDIATE RELEASE

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Sequella Licenses Rights to Commercialize SQ109 for Tuberculosis in Russia to Maxwell Biotech Venture Fund Subsidiary

Deal valued at over \$100 million to the Parties

Rockville, Md. -- [Sequella](#), a clinical-stage pharmaceutical company focused on commercializing novel antibiotics to treat life-threatening infectious diseases, and Maxwell Biotech Venture Fund announced their agreement to complete the clinical development and commercialize SQ109 for treatment of tuberculosis (TB) in the Russian Federation and neighboring Commonwealth of Independent States (CIS) countries, including Armenia, Azerbaijan, Belorussia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, and Ukraine.

The structure of the exclusive license in this territory for TB includes an equity investment, clinical trial supply purchase, milestones, and royalty payments that, contingent upon successful development and commercialization, could be worth up to \$50 million to Sequella over the duration of the license.

“We are delighted to be working with such an internationally respected partner as Maxwell Biotech Venture Fund for our first licensing deal for SQ109,” said Dr. Carol Nacy, CEO of Sequella. “With TB, and particularly multi-drug resistant (MDR) TB, increasing at alarming rates in Russia and the CIS, the value of a successful new drug for TB can be measured not only monetarily, but in patient lives. This is a great day for the TB patients in that territory and the TB community in general.”

According to the [World Health Organization](#) (WHO), Russia is one of the world’s “high burden” TB countries, with over 150,000 cases of active TB reported each year and over 43,000 cases of MDR TB. In parts of Russia and the CIS, TB infection rates are over three times that which the WHO considers epidemic, prompting the Russian government to make TB control a top priority. The Russian market for anti-tubercular drugs is well over \$150 million per year, with total TB control costs estimated to be well over \$1 billion.

“We are pleased to have entered into the development agreement with Sequella, an innovative company that discovered and is in Phase 2 development of SQ109,” said Dr. Alexander Polinsky, Managing Partner of Maxwell Biotech Venture Fund. “This molecule, if successful, has the potential to benefit significantly all patients with TB, a disease for which improved therapies are desperately needed in Russia. By investing in our subsidiary, Maxwell Biotech Venture Fund is fulfilling its strategic objective of making novel innovative drugs available to Russian patients.

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About SQ109

SQ109, identified as the lead drug candidate from among 63,000 diamine compounds synthesized in a combinatorial chemistry program, is currently under US IND. SQ109 completed three phase 1 studies in the U.S. and is currently being evaluated in Phase 2 efficacy studies in TB patients in Africa. With a mechanism of action distinct from all other antibiotics used in TB therapy, SQ109 has excellent activity against both drug susceptible and MDR TB bacteria, including XDR-TB strains. SQ109 also enhances the activity of anti-tubercular drugs Isoniazid and Rifampin and shortens by >30% the time required to cure mice of experimental TB. SQ109 could replace one or more of the current first-line antitubercular drugs, simplify therapy, and shorten the current TB treatment regimen.

Sequella filed a second IND for SQ109 for treatment of *Helicobacter pylori* infections in 2010. SQ109 has excellent activity against *H. pylori*, killing 99.99% of these bacteria with concentrations easily achievable in stomach contents and tissues.

SQ109 was co-discovered by scientists at Sequella and the National Institute of Allergy and Infectious Diseases (NIAID), a part of the National Institutes of Health (NIH), under a Cooperative Research and Development Agreement.

About Sequella

[Sequella](#) is a clinical stage pharmaceutical company focused on commercializing improved treatments for infectious diseases of epidemic potential. The company leverages its global influence, R&D platforms and infectious disease expertise to proactively address emerging health threats. Through focused execution, clear commercialization pathways, and strategic partnerships, Sequella intends to commercialize a broad product portfolio designed to treat global health threats with significant market opportunity.

About Maxwell Biotech Fund

The Maxwell Biotech Venture Fund was created by private investors with the participation of the [Russian Venture Company](#) (RVC), a government-sponsored fund-of-funds that promotes the development of an innovation-based economy in Russia. Maxwell Biotech is managed by one of the leading Russian financial firms, Maxwell Asset Management, and has engaged a dedicated team of professionals with decades of experience in healthcare, biotechnology, and investment banking. Maxwell Biotech has offices in Moscow, Russia and Boston, USA. The primary mission of Maxwell Biotech is to invest in Russian innovation. It works with and invests in Western companies to bring innovative products solving a public health need to the Russian market while generating superior return on investment.

Forward-Looking Statement

This press release contains forward-looking statements that are subject to risks and uncertainties, and includes statements that are not historical facts. Actual results could differ significantly from results discussed. Sequella disclaims any intent or obligation to update forward-looking statements, except as required by law.

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