MODAG Launches Out of Stealth Mode with Series A Financing of EUR 12 Million to Develop Treatments for Parkinsonian Disorders, Including Multiple System Atrophy

-- Dr. Torsten Matthias appointed CEO, scientific founder Prof. Dr. Armin Giese joins as CSO --

-- SERY technology in-licensed from Max-Planck Innovation GmbH to design next-generation candidate portfolio --

Wendelsheim, Germany – June 27, 2019 – MODAG announced today the completion of a EUR 12 million Series A financing round, launching out of stealth mode to advance lead candidate anle138b into clinical development in Multiple System Atrophy (MSA). The company was founded in 2013 based on research conducted by Prof. Dr. Giese (Ludwig Maximilian University of Munich) and Prof. Dr. Griesinger (Max-Planck-Institute for Biophysical Chemistry) examining protein aggregation and its toxic properties in neurodegenerative diseases to develop therapeutic options for conditions without available disease-modifying treatments. Anle138b aims to halt the progression of MSA, an atypical form of Parkinsonism, by addressing the core disease pathology. The financing round was led by Massa Investment AG and will support the corporate growth as well as the clinical development of anle138b, which has already demonstrated the potential to halt MSA progression in preclinical studies. Jeff Putman of Massa Investment AG will join the company's board.

"MODAG has developed an exciting approach to addressing MSA, an indication that has been significantly neglected in drug development," said Jeff Putman of Massa Investment AG. "The team brings together a deep-rooted scientific understanding and clinical expertise of the disease area, as well as operational leadership experience. We look forward to supporting MODAG in working on a sustainable solution for patients with MSA and related diseases."

In addition to the financing, MODAG appointed Dr. Torsten Matthias as Chief Executive Officer (CEO) and Prof. Dr. Armin Giese as Chief Scientific Officer (CSO). Dr. Matthias brings with him two decades of experience in entrepreneurship and operations management. Prof. Dr. Giese, a leading expert in the field of neuropathology, contributes over twenty years of scientific expertise in the neurodegenerative disease space, having published in leading peer-reviewed neuroscience journals.

"The newly secured financing allows us to confidently move forward with clinical trial preparations to launch the Phase 1 program for anle138b," commented Dr. Torsten Matthias, CEO of MODAG. "Although MSA is considered a rare disease, being able to halt its progression would have significant implications for many neurodegenerative diseases that currently have no treatment, but cumulatively affect the lives of countless patients. In combination with the funding and the exclusive license for the SERY technology, we are in a prime position to provide innovative solutions for a disease which has long been neglected."

"Currently available MSA therapies merely ease symptoms as disease progression continues. Our goal with the development of anle138b is to stop disease progression, while simultaneously addressing key symptoms," added Prof. Dr. Armin Giese, CSO of MODAG. "Due to the well-defined patient population, MSA is a good indication to demonstrate proof-of-

concept for anle138b in alpha-synucleinopathies and further define its unique mode of action. Based on the pre-clinical data we have accumulated to-date, we believe it has the potential to make a strong impact on quality of life for MSA patients as well as patients with other diseases that follow a similar pathology."

Anle138b is a small molecule compound that specifically binds toxic oligomeric structures of alpha-synuclein, the core aggregating protein species in Parkinsonian disorders. Through the binding, it effectively dissolves the toxic oligomers and prevents new oligomer formation, addressing the disease at its core. Initial pre-clinical studies in Parkinson's and MSA animal models have demonstrated the ability to halt disease progression and alleviate symptoms *in vivo*, effectively preventing the disease from causing further damage by stopping the accumulation of pathological protein aggregates in the brain. Anle138b's chemical structure further allows the compound to be applied orally and to effectively penetrate the blood brain barrier, an important feature of neurological drug candidates. The novel in-licensed SERY technology will further enable MODAG to create next-generation compounds with additional pharmacological features with the potential to develop alternative dosing schemes as well as address different patient populations.

The appointed CEO, Dr. Matthias, has twenty years of experience as the owner, CEO and CSO of the worldwide operating Aesku.Group, a research-focused producer and supplier of innovative and efficient products and services for the early detection, diagnosis, and prognosis of autoimmunity, infectious serology, allergy, and food intolerance. Dr. Matthias holds a Bachelor of Science in Chemistry and a Doctorate in Physical Biochemistry from the Technical University of Dresden, a doctorate in the field of Biochemistry and Gene Technology from the University of Bielefeld and has been featured in over 200 scientific publications to date.

Prior to joining MODAG as CSO, Prof. Dr. Giese was Acting Head of Department at the Center for Neuropathology and Prion Research (ZNP) at the Ludwig Maximilian University of Munich. He holds a Bachelor of Science from the University College London, Medical Licenses from the University of Kiel, and a Doctor of Medicine from the University of Göttingen. Prof. Dr. Giese is a board-certified neuropathologist at the Bavarian Chamber of Physicians (Landesärztekammer Bavaria), and has published over 130 scientific publications being cited over 12,000 times. His work focused on the role of protein aggregation in neurodegenerative diseases. Dr. Giese used single particle spectroscopy to identify novel aggregation inhibitors with high *in vivo* efficacy. These and other findings formed the basis for the foundation of MODAG GmbH in 2013.

About MSA

Multiple System Atrophy (MSA) is a currently non-curable neurological disorder characterized by neurodegeneration in several parts of the brain including the basal ganglia and the cerebellum. It is characterized by a build-up of pathologically aggregated alpha-synuclein proteins in neuronal and glial cells. Patients experience an array of symptoms, including movement, balance, and autonomic function disorders. Current drugs do not address the cause of the disease and are only capable of treating symptoms which progress alongside the disease. MSA is classified as a rare disease with an incident rate of approximately 0.6 cases per 100,000 people annually in the European Union. In Europe/US/JP, there are approximately 50,000 MSA patients. The mean age of onset of the disease is in the sixth decade of life. The mean survival period after the onset of the disease is 6-10 years.

About MODAG

MODAG, a privately held German biotech company, aims to provide a novel approach for treating neurodegenerative diseases by combining targeted small molecule therapeutics with the right diagnostic tools. Our first objective is to demonstrate clinical proof-of-concept with our lead compound anle138b in Multiple System Atrophy (MSA), seeking to halt the progression and provide a first disease modifying therapeutic. This success will allow us to apply our technology to similar diseases such as Parkinson's and other synucleinopathies with the goal of dissolving disease-related intra-cellular oligomers, thereby reducing their toxic properties. MODAG has been formed on the back of inventions by scientists at the Ludwig Maximilian University Munich and the Max Planck Institute for Biophysical Chemistry in Göttingen and supported by grants from leading patient organizations including the Michael J Fox Foundation for Parkinson's Research and the Parkinson's UK. For more information see www.modag.net

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