For Immediate Release

XL-protein and GENERIUM sign broad therapeutic license and collaboration agreement to develop PASylated therapeutics for the Russian Federation

Freising, Germany & Moscow, Russia, June 25, 2013

XL-protein and GENERIUM announce the closing of a license and a collaboration agreement. Under these agreements, XL-protein will license a PASylated blood clotting factor and apply its proprietary PASylation® technology for plasma-half life extension to a cytokine, respectively, for use in the Russian Federation and Commonwealth of Independent States (CIS).

GENERIUM acquires exclusive marketing rights for the Russian Federation and CIS and will assume responsibility for further development and marketing of said compounds within this territory. XL-protein retains development and marketing rights for Rest of World.

Under the terms of the license agreement, XL-protein receives a seven digit US$ upfront payment upon signing of the agreement. In addition, XL-protein will receive payments for the achievement of preclinical, clinical, regulatory, and commercial milestones as well as significant royalties on sales.

“This strategic cooperation with a renowned pharmaceutical company of GENERIUM's caliber demonstrates the high potential of our PASylation® technology to develop biologics with superior activities", noted Prof. Dr. Arne Skerra, CEO of XL-protein.

“Setting up multiple international collaborations is a key element of Generium's strategy. The Company provides unique opportunities for international collaborative R&D projects which are often associated with technology and know-how transfer and are actively supported by the Russian Ministry of Industry and Trade”, noted PhD Sergey Ruchko, CEO of IBC Generium.

XL-protein's proprietary PASylation® technology is a biological alternative to PEGylation, conferring an expanded hydrodynamic volume onto the biopharmaceutical which leads to retarded kidney filtration based on a molecular size effect. A tunable prolonged plasma half-life by a factor 10-100 has been demonstrated for various compounds in preclinical animal studies. Thus, PASylation® offers a cost-effective and patient-friendly solution to a general problem in biopharmaceutical drug development.

First data from this collaboration will be presented at the 38th Congress of the Federation of European Biochemical Societies (FEBS) in St. Petersburg, Russia, July 6-11, 2013.

About GENERIUM
GENERIUM is a Russian innovative biotechnology company with a strong focus on drug discovery and development, production and marketing of biotechnology products. GENERIUM includes a modern international biotechnology center and a renovated manufacturing production unit covering a complete spectrum of technologies.
The company's goal is to provide patients with affordable drugs of superior quality for the diagnosis and treatment of socially significant diseases, in particular hemophilia, cancer, orphan diseases, tuberculosis, multiple sclerosis, myocardial infarction, and stroke.
For more information, please visit: www.ibcgenerium.ru

About XL-protein
XL-protein GmbH is a privately owned biopharmaceutical company based in Freising, Germany, which exploits its proprietary PASylation® technology to develop second generation biopharmaceuticals with extended plasma half-life and improved *in vivo* activity. PASylation® is a fully biological technology that can be applied both to approved biologics to yield follow-on drug products ('biobetters') or to innovative therapeutic proteins or peptides, allowing less frequent and lower dosing combined with better patient tolerability.
XL-protein pursues the preclinical and the clinical development of PASylated protein drugs in commercially attractive disease areas. Furthermore, XL-protein is engaged in various collaborations with the Pharma and Biotech industry and offers licenses. XL-protein's proprietary preclinical pipeline encompasses, among other projects, a PASylated growth hormone, cytokines, Fab fragments and peptides, as well as a bispecific product candidate with a PAS polypeptide serving as linker.
For more information, please visit: www.xl-protein.com

About PASylation®
'PASylation' involves the genetic fusion of a therapeutic protein or peptide with a conformationally disordered polypeptide of defined sequence comprising the small amino acids Pro, Ala, and/or Ser. This technology provides a superior way to attach a solvated molecular random chain with large hydrodynamic volume to a biologically active compound. Owing to the biophysical size effect, the typically rapid clearance via renal filtration of biopharmaceuticals can be retarded by a factor 10-100, depending on the length of the PAS tag. PAS sequences are highly soluble while lacking charges, they are biochemically inert, non-toxic and non-immunogenic, they offer efficient recombinant protein production in *E. coli* as well as eukaryotic cell culture, also avoiding chemical coupling procedures, and they show high stability in blood plasma but are biodegradable by intracellular proteases.

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