Assembly Pharmaceuticals and BioCrossroads Announce Investment to Advance Potentially Curative Therapy for Chronic Hepatitis B Virus

--BioCrossroads Joins Twilight Ventures, Luson Bioventures and Other Investors--

--Breakthrough Anti-viral Science Is Based on Intellectual Property Licensed from Indiana University--

INDIANAPOLIS & BLOOMINGTON, IN, & SAN FRANCISCO, CA, April 10, 2014 — Assembly Pharmaceuticals and BioCrossroads today announced that the BioCrossroads Indiana Seed Fund II has made an investment in Assembly Pharmaceuticals. Assembly is developing novel drugs for the treatment and potential cure of chronic hepatitis B virus (HBV) infection. Johnson & Johnson Development Corporation, Twilight Ventures, Luson Bioventures and private investors also participated in the financing round.

Assembly Pharmaceuticals is applying its novel science to develop agents with the potential to cure chronic HBV. HBV is an underappreciated global epidemic with more than 350 million people worldwide chronically infected, including two million in the U.S. Chronic HBV causes cirrhosis and liver failure, and it is a leading cause of liver cancer. Over 600,000 deaths each year are attributable to HBV. Current treatments can suppress the infection but require lifelong therapy since they are not curative.

Assembly Pharmaceuticals was formed in 2012 to develop drugs based on the breakthrough science of co-founder and Indiana University professor Adam Zlotnick, PhD. Dr. Zlotnick is a pioneer in the biophysics of viral capsid assembly. His research has led to the discovery of multiple families of small molecules known as Core Protein Allosteric Modulators (CpAMs), which target the HBV core protein, a unique viral protein with no human analogue that is involved in multiple stages of the HBV life cycle.

Assembly has exclusively licensed intellectual property from Indiana University Research and Technology Corporation that was discovered in the laboratory of Professor Zlotnick. Assembly has a research collaboration with Indiana University and also has research facilities in San Francisco led by co-founder, vice president of R&D and chief medical officer Uri Lopatin, MD, who previously led HBV programs at Gilead Sciences and Roche Pharmaceuticals.

“Current HBV treatments have cure rates of only 3 to 5%, and thus are not curative for the vast majority of patients,” said Derek Small, co-founder and executive chairman of Assembly Pharmaceuticals. “Our HBV drug candidates modulate the viral core protein. By altering the core protein’s functions across multiple stages in the viral life cycle, Assembly’s novel therapies have the potential to permanently clear the virus. We are delighted at the vote of confidence this BioCrossroads investment represents.”

“In addition to their breakthrough science discovered here in Indiana, Assembly Pharmaceuticals has one of the most talented and impressive management and research teams in the industry,” said David L. Johnson, president and CEO, BioCrossroads. “Their promising HBV therapy could be a game-changing treatment for millions of people around the world.”

Assembly was co-founded by Indiana biotechnology entrepreneurs Richard DiMarchi, PhD, currently a distinguished professor at Indiana University, and Derek Small, a successful serial biopharmaceutical entrepreneur. The other founders include Dr. Zlotnick, Dr. Lopatin and William Turner, who was
previously a successful discovery medicinal chemist at Lilly Research Laboratories for over 30 years. Dr. DiMarchi oversaw the development of many major drugs while at Eli Lilly and is also a founder of multiple successful life sciences ventures. Derek Small most recently served as founding CEO and president of clinical-stage CNS drug development innovator Naurex and founding CEO and president of drug discovery platform company, Coferon.

The initial financing is being used to advance drug candidates through preclinical proof of concept, broaden the research collaboration in Indiana, and establish the company’s biology labs in San Francisco.

The Indiana Seed Fund II is an early-stage fund focused on identifying, creating and developing the next generation of leading Indiana-based life sciences companies. It is managed by BioCrossroads and makes investments in early-stage biotechnology, pharmaceutical, medical device, diagnostic, ag-biotech and health information technology products and platforms.

In addition to operations in Indiana, Assembly has offices and laboratories at Janssen Labs @QB3 in San Francisco. Through a collaboration with QB3, Janssen Labs @QB3 aims to provide a capital efficient, flexible model for external companies pursuing important healthcare innovations.

About BioCrossroads
BioCrossroads (www.biocrossroads.com) advances Indiana’s signature strengths in the life sciences by connecting with corporate, academic and philanthropic partners; facilitating investments in promising start ups and building new enterprises; and educating through conferences, reports and market development knowledge. The initiative supports the region’s existing research and corporate strengths while encouraging new business development and has formed several new nonprofit organizations, including Indiana Health Information Exchange, BioCrossroadsLINX, OrthoWorx, and Datalys Center.

About Assembly Pharmaceuticals
Assembly Pharmaceuticals is a virology-focused biopharmaceutical company with a discovery platform and programs based on proprietary Core Protein Allosteric Modulators (CpAMs) for the treatment of viral infections, starting with hepatitis B (HBV). CpAMs can alter the activities of the HBV core protein, a unique viral protein with no human analogue that is involved in multiple stages of the HBV life cycle. In contrast to current therapies that only suppress HBV, Assembly Pharmaceutical’s CpAMs may have curative potential by eliminating the viral reservoir in infected individuals. Hepatitis B infection has a worldwide prevalence of over 350 million and more than 600,000 people die every year from complications associated with chronic HBV. Assembly has operations in Indiana and San Francisco.

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