

PRESS RELEASE

BRAIN expands its BioArchive by the acquisition of genetic resources for White Biotech screening from MerLion Pharmaceuticals GmbH

Zwingenberg (D) and Berlin (D), July 22, 2008: The White Biotech company BRAIN AG has acquired specific gene based industrial biotech assets of MerLion Pharmaceuticals GmbH. The assets include selected microbial strains, a substantial gene collection (Tool-Box) encoding modifying enzymes and a huge collection of cosmid libraries comprising more than 800.000 cosmids, harboring some 16 million genes encoding for novel enzymes and biocatalysts, which in the last years have been built up and genetically characterized by the Berlin-based Combinature Biopharm AG. In August 2006, Combinature was acquired by one of the world's leading natural product research companies MerLion Pharmaceuticals of Singapore. The Berlin organisation, now MerLion Pharmaceuticals GmbH, focuses exclusively on the clinical development of antibiotics with core natural products research activities and microbial assets relocated to MerLion's facility in Singapore.

Under the terms of the agreement, BRAIN will acquire selected Actinomycete strains from MerLion. These microorganisms are well known as producers of natural bioactive compounds as well as rare enzymes and biocatalysts. This already impressive potential is ex-

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ceeded by the genetic potential of these organisms, which is a major insight of several recent genome sequencing projects. Under this transaction BRAIN will receive a substantial number of precharacterised and profiled *E. coli* cosmid genome libraries from diverse Actinomycete strains, a Tool-Box comprising several hundreds of cloned genes encoding modifying enzymes as well as a huge Actinomycete DNA collection which can be used for sequence-based screening approaches.

BRAIN will use these assets for the targeted genetic screening of genes encoding industrial enzymes and metabolic pathways. The pathway genes will be used for the genetic engineering of microbial producer strains with the goal of high yield expression of compounds for interesting white biotech markets.

"We see this development as an exciting opportunity to bring our gene library assets into a research and business environment which will deliver substantial growth", explains Prof. Dr. Harald Labischinski, Managing Director of MerLion Pharmaceuticals GmbH. "It will also allow us to focus our efforts on the advancement of our promising antibiotic pipeline, which contains several novel candidates of which finafloxacin is now in clinical development."

"Through the last ten years, BRAIN built up a highly diverse strain collection as well as broad application knowledge in Metagenome[®] handling for the identification and development of innovative BioActives, enzymes and biocatalysts," states Dr. Jürgen Eck, Chief Technology Officer at BRAIN AG. "We are convinced that the Combinature microbial resources as well as the vast genetic resources will complement and strengthen our technology platform. The access to these resources will be of help to further increase our valid hit rates and to speed-up development cycles for industrial enzymes and biocatalysts. Moreover novel metabolic pathways will be expressed in genetically optimized microorganisms, so-called *designer bugs*."

About BRAIN

BRAIN is a research and development company which discovers and develops novel bioactive natural compounds and proprietary enzymes for its partners and customers in the chemical and pharmaceutical as well as the food and cosmetics industries. In a unique approach to the discovery and production of new biological compounds and biocatalysts, the company harnesses creative solutions from nature's untapped biodiversity. Its success is built on its proprietary BioArchive comprising millions of genes, proteins and metabolic pathways from microbial isolates and metagenome libraries. BRAIN was founded in 1993, currently employs 66 highly qualified people and has developed into one of Europe's leading white (industrial) biotech companies.

www.brain-biotech.de

About MerLion Pharmaceuticals Group

MerLion Pharmaceuticals is a privately held international drug discovery and development company headquartered in Singapore. The company focuses internal R&D efforts on anti-infectives and maintains a leadership position in natural products drug discovery. MerLion's natural products library is the largest and most diverse available for screening and the company partners with leading companies across a wide range of industry sectors including; pharmaceuticals, agrochemicals, food and flavours and nutraceuticals. In 2007 MerLion was voted one of Fierce Biotech's 15 most promising biotech companies and Scrip Pharmaceutical News' Best Company in an Emerging Market.

www.merlionpharma.com

Pictures



BRAIN's large BioArchive contains some 18.000 well characterized micro-organisms and a huge Metagenome® library laid down in screen able formats.
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MerLion Pharmaceuticals' natural product research is based upon the world's largest and most diverse natural sample collection available for screening
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