NEWS RELEASE **For immediate release**

AmorChem aims at two major respiratory diseases with a single CFTR strategy

Montreal, June 17, 2014 – AmorChem is entering into a collaboration with two well-known McGill researchers, Dr David Y. Thomas (Professor, Department of Biochemistry) and Dr. John W. Hanrahan (Professor, Department of Physiology), in order to develop novel small molecules which could be used in the treatment of cystic fibrosis (CF) and chronic obstructive pulmonary disease (COPD). Drs Thomas and Hanrahan are also co-founders of Traffick Therapeutics, Inc., a company dedicated to the development of novel molecules able to chaperone defective proteins as they traffic from the endoplasmic reticulum where they are made to the surface of cells where they function, for example, as ion channels.

Traffick has characterized a series of small molecules acting as correctors and potentiators of the CF transmembrane conductance regulator (CFTR) protein which is mutated in patients with CF. "We were very impressed by the chemistry work which has been done until now in this project. It gives us solid grounding on which to build NuChem's efforts ," says Inès Holzbaur, general partner at AmorChem. AmorChem's medicinal chemistry group, NuChem Therapeutics, Inc., will develop novel analogs with higher potency and improved pharmacokinetic properties. Drs Thomas and Hanrahan teams will be responsible for the biological evaluation of these molecules.

As CEO of Traffick, Dr. Thomas said: 'The association with NuChem's experienced medicinal chemists comes at the perfect time in our development. We have very promising molecules but they are not drugs yet. NuChem will greatly assist us in making that next step.'

"This year is the 25th anniversary of the discovery of the CFTR gene and its role in cystic fibrosis. However, it was only recently that a potential role of the CFTR protein in COPD has been proposed. This project allows us to support the development of a drug that could be used to treat patients suffering from these two important diseases," says Élizabeth Douville, general partner at AmorChem.

Cystic fibrosis (CF) is a genetic disorder caused by loss-of-function mutations in the CFTR gene, which encodes for the CFTR protein. CFTR is a chloride ion channel that regulates fluid transport in the lung. Defects in CFTR cause the accumulation of mucus in the small airways, which then get infected and inflammed. Loss of CFTR function is also detrimental for the normal functioning of the pancreas, intestines and sweat glands. Patients with CF need to take many drugs including mucolytic and antibiotic agents and also digestive enzymes to replace the loss of exocrine pancreatic function. In the last five years, small molecules able to correct or potentiate the CFTR function have been taken to the clinic and at least one, Kalydeco, is now commercially available for the treatment of a rare form of the disease.

COPD is the 3rd leading cause of death in the U.S. Contrary to CF, it is not a genetic disease but rather a progressive respiratory disorder consisting of chronic bronchitis and/or emphysema. The majority of COPD cases result from the accumulated oxidative insults of cigarette smoke possibly leading to a progressive loss of CFTR function.

ABOUT AMORCHEM L.P.

AmorChem L.P. (www.amorchem.com) is a venture capital fund located in Montreal focused on investing in promising life science projects originating from Quebec-based universities and research centres. The principal limited partners of this fund are Investissement-Québec, FIER Partenaires, Fonds de solidarité FTQ and Merck & Co. This fund is the latest addition to the GeneChem portfolio of funds, a fund manager in existence since 1997. AmorChem's innovative business model involves financing research-stage projects to enable them to reach pre-clinical proof-of-concept ("POC") in a semi-virtual mode within 18-24 months. The fund seeks to generate returns through a two-pronged exit strategy: sell projects having reached POC to large biotechnology or pharmaceutical companies; or bundle them into new spin-out companies. AmorChem using external resources will manage the projects. To that effect, AmorChem has established a strategic partnership with the Biotechnology Research Institute in order to access its R&D platforms. In addition, to enabling projects requiring small molecules as tools or drug leads, AmorChem has founded NuChem Therapeutics Inc., a medicinal chemistry contract-research company.

ABOUT NUCHEM THERAPEUTICS INC.

NuChem Therapeutics Inc. (www.nuchemtherapeutics.com) is a medicinal chemistry contract-research company wholly-owned by AmorChem. With laboratories situated at the Biotechnology Research Institute in Montreal, the company is led by Dr. Daniel Guay, formerly of Merck Canada and the Institut de recherche en immunologie et cancérologie (IRIC).

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