



Alethia Biotherapeutics Closes a \$4.7 Million Financing to Advance its Bone Antiresorptive Program

MONTREAL, November 1, 2012 – Alethia Biotherapeutics Inc., a privately held biotechnology company focusing on the development of therapeutic monoclonal antibodies announced today that it has closed a new financing. Alethia will use the proceeds to fund primarily its lead program. The financing included participation of current major investors comprising AgeChem Venture Fund, BDC Venture Capital and GO Capital in addition to a long-term partner and shareholder of the company, Cellscript of Wisconsin.

"This funding will enable our lead bone antiresorptive candidate AB-25E9 to advance into the studies required to submit an IND" said Mr. Yves Cornellier, President & CEO of Alethia. "We are very enthusiastic about the potential of this therapeutic monoclonal antibody to address the need for improved therapies within the expanding bone degradation market".

Using its proprietary STAR discovery platform, Alethia has developed a strong pipeline of novel, clinically relevant therapeutic targets that included Siglec-15, an important regulator of osteoclast differentiation and function. In several pathologies, bone remodeling is impaired due to increased osteoclastic activity which leads to decreased bone density and strength. Current antiresorptive therapies reduce osteoclast activity but most also impair bone formation. Alethia's bone antiresorptive program was purposefully designed to develop a new generation of therapies that decrease osteoclast activity while maintaining bone formation.

Dr. Mario Filion, Chief Scientific Officer of Alethia commented, "We are fortunate to have the continued ongoing support of knowledgeable investors to help the Company advance our AB-25E9 development program into the clinic. Data from pre-clinical *in vivo* models of bone loss demonstrate that the results obtained with Siglec-15 antibodies are distinctive from those obtained with other anti-resorptive therapies. In particular, inhibition of Siglec-15 resulted in sustained antiresorptive activity coupled with maintenance of bone formation; a profile that, if translated in the clinic, would differentiate this product from currently marketed drugs".

About Alethia Biotherapeutics Inc.

Alethia is a privately held, Montreal-based biotechnology company created in 2002. Alethia develops monoclonal antibody therapeutics to novel clinically relevant targets identified using its patented STAR discovery technology. BDC Capital and Go Capital provided seed financing to Alethia in 2008 and, in conjunction with AgeChem Venture Fund, provided Alethia's Series A financing in 2010.

About AgeChem Venture Fund

In 2006, GeneChem raised its third focused fund to capitalize on the growth of the aging "Baby Boomer" segment of the population. With committed capital of \$65M, the AgeChem Venture Fund L.P. sought to invest in companies developing therapeutics targeting diseases affecting the aging population, such as metabolic disorders (e.g. diabetes, obesity), cardiovascular diseases, cancers, diseases of the central nervous system (e.g. Alzheimer, Parkinson, insomnia), inflammatory diseases (e.g. rheumatoid arthritis, psoriasis) etc.

About BDC Venture Capital

With more than \$1 billion in current and planned investments and over 25 years of experience in venture capital, we focus on innovative IT, health and energy/clean technology companies with high growth potential. Our goal is to deliver excellent return on our investments, while working to create a sound financial ecosystem for Canadian technology ventures.

About GO Capital

The GO Capital venture capital fund supports the creation of companies in all sectors of science and technology in Quebec, including natural sciences, life sciences and information technology. The Fund invests in companies launched as a result of research and development efforts undertaken in universities, public-sector laboratories and private-sector initiatives.

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