



MELIOR PHARMACEUTICALS RECEIVES FIRST PERFORMANCE MILESTONE PAYMENT FROM BUKWANG PHARMACEUTICAL

**-Melior achieves a regulatory goal using legacy clinical data-
- Strong example of the advantages achieved using a drug-repositioning strategy -**

Oct 7, 2014 Exton, PA – Melior Discovery, Inc. announced today that it has received the first of a series of potential performance milestone payments as part of a licensing arrangement with Bukwang Pharmaceutical Co., Ltd of South Korea to develop, manufacture and commercialize Melior’s lead compound MLR-1023, a first-in-class insulin sensitizer for the treatment of type 2 diabetes.

Melior has received protocol approval from the US FDA to enter into a Phase 2 proof-of-concept study in type 2 diabetic patients. The 4-week protocol will enroll 120 subjects across 14 clinical sites in the U.S and Korea. The recognition by the US FDA of clinical trial data generated by Pfizer more than 30 years ago for an alternative therapeutic use was pivotal in achieving this regulatory goal.

“The response that we have received from the FDA is a great testimony to the many benefits of pursuing a drug repositioning strategy and will enable Melior to progress this potential breakthrough diabetes product faster and at lower cost than would otherwise be possible,” said Andrew Reaume, CEO of Melior.

MLR-1023 is an oral insulin sensitizer in development for the treatment of type 2 diabetes. It improves glycemic control by directly and selectively activating the Lyn tyrosine kinase enzyme, which has been shown to modulate insulin-signaling pathways independently of PPAR mechanisms. Preclinical studies show that MLR-1023 has the potential to lower blood glucose levels more effectively than existing therapies without the risk of hypoglycemia or weight gain. It improves beta cell function in diabetes models and combines well with current anti-diabetes drugs. Melior expects MLR-1023 will be dosed once daily, and in studies to date it appears safe and well-tolerated.

About Melior

Melior Discovery and Melior Pharmaceuticals, its sister company, are leaders in pharmaceutical drug repositioning using the unique *theraTRACE*® platform comprised of multiplexed *in vivo* disease models. Melior is using these capabilities to build an internal pipeline of development candidates and also partners with pharmaceutical and biopharmaceutical companies to apply the *theraTRACE*® platform and its in-depth *in vivo* pharmacology expertise to their development candidates. Melior Discovery and Melior Pharmaceuticals are privately held and located in Exton, PA. For more information, visit www.meliordiscovery.com.



About Bukwang Pharmaceutical Company, Ltd.

Bukwang Pharm. Co., Ltd. is a leading Korean pharmaceutical company listed on the Korean Stock Exchange [KRX:003000]. The company has been in business for over 50 years, and achieved US\$130 million in sales in 2012. Sales are primarily derived from products licensed from Europe, the United States and Japan. The company is currently investing significant resources in R&D to create a robust pipeline of preclinical and clinical agents for the treatment of antiviral diseases, gastrointestinal disorders, CNS disorders and metabolic diseases.

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