



NEWS RELEASE

Novation Announces Oral Cytokine Inhibitor Identified Through its Quest Drug Discovery Assay for Identifying Small Molecule Inhibitors of IL-6

FOR IMMEDIATE RELEASE

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Burnaby, Canada: Novation Pharmaceuticals Inc., Canada, announced that it has filed a provisional patent in the US Patent Office for a class of compounds discovered through its *Quest* drug discovery assay aimed at finding small molecule inhibitors of IL-6, a key cytokine involved in inflammation. Validated in human peripheral blood mononuclear cells, the inhibitor showed oral availability in a mouse model of inflammation. As only biologicals targeting IL-6 exist on the market, Novation's small molecule approach would offer a cheaper to produce alternative. Novation will continue to develop this class of compounds through pre-clinical development, as well as progress hits identified in its other *Quest* assays.

About Novation and the *Quest* Technology

Novation is a product-focused company using *Quest*, its breakthrough drug-discovery technology that harnesses a natural cellular control function, messenger RNA (mRNA) modulation, to identify new therapeutics for a broad range of diseases. *Quest* uses cell-based assays to identify small molecules that impact protein expression via mRNA modulation.

The ability to affect mRNA function with small molecular weight compounds opens up a wide range of disease areas to therapeutic intervention including "non-drugable" targets and to diseases currently treated with biologicals. In the cell, mRNA regulation determines which proteins get made, how much is produced, and for how long, and as such, is a highly controlled cellular process. The regulation of mRNA function is exerted through specific motifs present within each individual mRNA. Novation scientists incorporate these motifs for a particular target mRNA into a high-throughput reporter gene assay system (the *Quest* technology) which is then screened to identify small molecules that work through these motifs. A non-biased approach, *Quest* can identify both inhibitory and stimulatory small molecule compounds that modulate the stability of a target mRNA or influence its translatability.

Novation's suite of *Quest* drug-discovery assays span a number of disease areas including targets in oncology, inflammation, cardiometabolic, neurodegeneration, dyslipidemia, and is developing assays in other therapeutic areas poorly served.

This news release contains certain forward looking statements. Actual results may differ materially from the statements made as a result of various factors, including, but not limited to, the inherent risks associated with drug research and development, difficulties or delays in development testing, changes in regulatory affairs, lack of therapeutic efficacy, unacceptable side-effects, the dependence on partners, the inability to raise sufficient finance, the appearance of competitors and other risks generally associated with the biopharmaceutical industry.

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