Press Release

ESBATech AG
Wagistr. 21
CH-8952 Zurich-Schlieren
Switzerland

Phone +41-44-733 4900
Fax +41-44-733 4990

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Topical ESBA105 Demonstrates Efficacy in the Back of the Eye to Inhibit Neovascularization

Data will be presented at the 5th Annual Monoclonal Antibodies Visiongain Conference on 25 March 2009

ESBATech AG, a leading developer of antibody fragment therapeutics, today announced preclinical results, which demonstrate efficacy of topical ESBA105, an anti-Tumor Necrosis Factor (TNF) single-chain antibody fragment, in a model for choroidal neovascularization (CNV). In wet age-related macular degeneration (wet AMD), CNV causes the formation of new blood vessels growing behind the retina, which can lead to bleeding, scarring and sight loss in patients. Anti-Vascular Endothelial Growth Factor (VEGF) therapies are successfully used in AMD; however, only 30-40% of patients benefit from an anti-VEGF therapy with improvement in visual acuity.

ESBATech's results confirm that CNV is not exclusively driven by VEGF, but also by inflammatory mediators such as TNF alpha. Findings from this study show that ESBA105, when applied as eye drops, can significantly reduce CNV. The preclinical study was designed to evaluate the pathophysiological relevance of TNF, and the effect of topical ESBA105 in a primate model for CNV and compare its efficacy against an intravitreal injection of the marketed TNF antagonist, Humira® and VEGF antagonist, Avastin®, which have both shown efficacy in this model. The model selected for this study measures severity of lesions in the macula, which are generated by photocoagulation using a laser. The surrogate injury model for AMD has been proven successful in predicting therapies that are efficacious like Lucentis® in the treatment of AMD.

David Urech, Ph.D., Head of Research and Development of ESBATech commented on the preclinical results, “These results confirm our previous pharmacokinetic studies, showing that topical ESBA105 efficiently migrates to the posterior or the back segments of the eye, and leads to therapeutically effective concentrations even in the retina. In addition, our results suggest that TNF alpha plays an important role in a variety of ocular neovascular disorders.”

Dominik Escher, Ph.D., Chief Executive Officer of ESBATech, added, “These exciting results show a role and potential for ESBA105 in wet AMD. A combination therapy with an injectable VEGF inhibitor, plus our topical TNF inhibitor might lead to better efficacy and visual improvements than a single therapy. We have started several clinical trials with ESBA105 including acute anterior uveitis, and we will expand the development of ESBA105 into several attractive indications with a high unmet medical need.”

ESBATech continues to progress clinical candidates in ophthalmology with a series of studies relating to the treatment of inflammatory ocular diseases. In February 2009, ESBATech initiated a Phase Ia/IIb study for cataract surgery and a Phase IIa trial for acute anterior uveitis. Earlier this year, ESBATech initiated a Phase I/IIa study to explore clinical activity of ESBA105 in osteoarthritis of the knee.

About Choroidal Neovascularization (CNV)

CNV is the formation of new blood vessels in the choroid layer of the eye. CNV can occur rapidly in individuals with defects in Bruch’s membrane, the innermost layer of the choroid. It is also associated with excessive amounts of Vascular Endothelial Growth Factor (VEGF). CNV is a common symptom of the degenerative maculopathy wet AMD. Wet AMD results in new blood vessels growing behind the retina, which can cause bleeding, scarring and sight loss. Currently, the most efficient treatment for wet AMD is inhibition of VEGF as achieved through intravitreal injections of Lucentis® every four weeks. Anti-VEGF treatments are designed to stop new blood vessels from growing by acting on a protein which is released as these vessels develop.

About ESBATech’s Antibody Fragment Platform Technology

ESBATech develops highly-stable, single-chain antibody fragment (scFv) derived from proprietary fully human antibody fragment scaffolds. ESBATech has developed Immuna®, a

novel, proprietary, repeatable antigen-independent platform to screen, select and optimize highly-stable, single-chain antibody fragments. Immuna® does not exhibit any phage display. The single-chain antibody fragment can be applied for novel therapeutic interventions, which require a high affinity and high specificity of the drug, but not an immune effector response. In this novel approach, ESBATech has elucidated unique features of its proprietary fully human, drug-like, single-chain antibody fragments. The company is advancing a pipeline of novel antibody fragment therapeutics for topical and/or local delivery, to ensure safe and convenient patient therapy. ESBATech is the first and only company to date that has successfully screened and characterized the entire human pool (1.5 million) of naturally occurring variable immunoglobulin (VH and VL) domains. Through this process, the company has identified a number of next generation scFv development candidates. These novel product candidates can be modified to generate virtually limitless products directed against numerous targets.

About ESBATech AG

ESBATech is a Zurich, Switzerland-based, privately held, clinical stage biotechnology company concentrating in research, development and commercializing of its antibody fragments for therapeutic applications via local and topical administration. ESBATech applies its proprietary screening platform, Immuna® and its fully human single-chain antibody frameworks to generate product candidates against targets of clinical relevance. The company focuses on three franchises: ophthalmology, rheumatology and respiratory. In ophthalmology, ESBATech represents the most advanced company in clinical development with topical delivery of an antibody fragment via eye drops.

Current venture investors include SV Life Sciences, Clarus Ventures, HBM BioVentures, HBM BioCapital, Novartis Venture Fund, BioMedinvest and VI Partners. For more information about ESBATech, please visit, http://www.esbatech.com.

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Contacts:

Dr. Dominik Escher
CEO
ESBATech AG
+41-44-733 49 00
escher@esbatech.com

Lisa Rivero
Director of Media Relations
LaVoie Group
+1-978-745-4200 X 106
lrivero@lavoiegroup.com