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**MELIOR LICENSES NOVEL DIABETES DRUG TO BUKWANG PHARMACEUTICAL CO.**

***—Repurposed Oral Compound Is a Novel Mechanism Insulin Sensitizer—  
—Melior and Bukwang to Conduct Phase II Clinical Trials in U.S. and Asia; Melior  
Retains Rights Outside the Asia-Pacific Region—***

**Exton, PA — December 4, 2013** — Melior Pharmaceuticals I, Inc. today announced a licensing agreement with Bukwang Pharmaceutical Co. Ltd., of South Korea to develop, manufacture and commercialize its lead compound MLR-1023, a first-in-class insulin sensitizer for the treatment of type 2 diabetes.

Under the terms of the agreement, Bukwang will receive an exclusive license to MLR-1023 and related compounds for specified countries in the Asia-Pacific region excluding Japan. Melior will receive an upfront cash payment as well as payments upon achievement of certain development and regulatory milestones. Bukwang will support preclinical and clinical studies to be conducted in the U.S. and South Korea aimed at bringing MLR-1023 through Phase 2b proof-of-concept clinical trials. It also acquires an option to access proprietary Melior technology related to the underlying mechanism of action of MLR-1023.

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. MLR-1023 improves beta cell function in diabetes models and works well in combination with currently approved anti-diabetes drugs. Studies of MLR-1023 support once daily dosing and a good safety and tolerability profile.

"Bukwang has substantial expertise in diabetes and metabolic diseases that will be very valuable as we collaborate to further develop MLR-1023," said Andrew Reaume, CEO of Melior. "As a novel insulin sensitizer that is clearly distinct from PPAR activators, MLR-1023 holds great potential to benefit people with diabetes in important ways beyond lowering elevated blood glucose levels. Other potential benefits include improved cardiovascular outcomes and reduction of other diabetic complications."

"MLR-1023 represents a potentially breakthrough new treatment for type 2 diabetes, and it fits nicely with our current portfolio of products for metabolic disease," said Sang-Hun Kim, President and CEO of Bukwang. "Diabetes is a growing health problem throughout Asia, and we look forward to working with Melior to advance this exciting candidate through the next phase of clinical trials."

MLR-1023, then known as tolimidone, was formerly in clinical development by Pfizer for an anti-ulcer indication. It was safe and well tolerated in the studies conducted by Pfizer, but was discontinued after Phase 2 due to a lack of efficacy in the anti-ulcer indication.

MLR-1023 is the first of several clinical candidates that were identified using Melior Discovery's proprietary *theraTRACE*<sup>®</sup> indications discovery platform designed to support early drug development and drug repositioning. Melior Discovery, through its affiliated companies and licensees, including Melior Pharmaceuticals, has programs in metabolic disease, inflammation, dermatology and neurological disorders. Melior Discovery's partners and clients include pharmaceutical and biopharmaceutical companies, and its projects span multiple therapeutic areas.

**About Melior**

Melior Discovery and Melior Pharmaceuticals I, a sister company, are leaders in pharmaceutical drug repositioning using the unique *theraTRACE*<sup>®</sup> 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*<sup>®</sup> 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](http://www.meliordiscovery.com).

**About Bukwang Pharmaceutical Co., 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.