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Synairgen plc
("Synairgen" or the "Company")

ASTRAZENECA IN-LICENSES SYNAIRGEN'S SNG001 AS A NOVEL IMMUNO-MODULATORY THERAPY FOR VIRAL-INDUCED EXACERBATIONS IN ASTHMA

Phase IIa clinical study to commence in patients with severe asthma

Southampton, UK: Synairgen plc (LSE: SNG) today announced a global licence agreement with AstraZeneca for SNG001, a novel, inhaled interferon beta (IFN-beta) in clinical development for treating respiratory tract viral infections in patients with severe asthma. SNG001 supports the immune system by correcting a deficiency which makes patients vulnerable to respiratory tract viral infections.

Under the terms of the exclusive licence agreement, AstraZeneca will pay Synairgen a \$7.25 million up-front fee and potential development, regulatory and commercial milestones of up to \$225 million. In addition, AstraZeneca will pay tiered royalties ranging from single-digit up to mid-teens on commercial sales. AstraZeneca will be responsible for future development costs.

In early 2015, AstraZeneca will commence a Phase IIa study in patients with severe asthma, building on available clinical data from an initial Phase IIa trial in a broad asthma population. SNG001 also provides the opportunity to expand the clinical programme in other pulmonary diseases including chronic obstructive pulmonary disease (COPD).

Maarten Kraan, Head of Respiratory, Inflammation & Autoimmune Innovative Medicines, AstraZeneca, said: "Respiratory disease is a core therapeutic area for AstraZeneca, and a key growth platform for the company. Our approach includes addressing associated complications that patients experience, as well as developing treatments for the underlying disease. SNG001 is an innovative and targeted therapy that has, if successful, the potential to offer a step-change in the treatment of severe asthma, and possibly COPD."

Richard Marsden, Synairgen CEO, commented: "We're delighted that this truly innovative programme, discovered at the University of Southampton and developed by Synairgen, will be taken forward by AstraZeneca. With its strong research focus and extensive experience in respiratory disease, AstraZeneca's commitment to developing novel medicines for patients with asthma and COPD makes them the ideal partner for SNG001."

Simon Shaw, Chairman of Synairgen, said: "We are very pleased to have progressed SNG001 through pre-clinical and clinical development to the stage where it could attract such a well-qualified global development partner to progress the programme. We now look forward to using our platform technology, extensively used to develop IFN-beta, to assess and, where appropriate, in-license new therapeutic opportunities for progression to the clinic."

-ENDS-

For further information, please contact:

Synairgen plc

Richard Marsden, Chief Executive Officer
John Ward, Finance Director

Tel: + 44 (0) 23 8051 2800

finnCap

Geoff Nash, Christopher Raggett (Corporate Finance)
Stephen Norcross (Corporate Broking)

Tel: + 44 (0) 20 7220 0500

Newgate Threadneedle

Graham Herring
Josh Royston

Tel: + 44 (0) 20 7653 9850

Notes to Editors

1. About Synairgen

Synairgen is a respiratory drug development company founded by Professors Stephen Holgate, Donna Davies and Ratko Djukanovic at the University of Southampton. Synairgen is quoted on AIM (LSE: SNG). For more information about Synairgen, please see www.synairgen.com.

2. About AstraZeneca

AstraZeneca is a global, innovation-driven biopharmaceutical business that focuses on the discovery, development and commercialisation of prescription medicines, primarily for the treatment of cardiovascular, metabolic, respiratory, inflammation, autoimmune, oncology, infection and neuroscience diseases. AstraZeneca operates in over 100 countries and its innovative medicines are used by millions of patients worldwide. For more information please visit: www.astrazeneca.com.

3. Background to Synairgen's SNG001 inhaled interferon beta programme for virus-induced asthma and COPD exacerbations

Observations made in human disease cell-based models revealed that cells lining the airways of asthmatics were particularly susceptible to the common cold on account of a poor immune response mediated by a deficiency in interferon beta ('IFN- β '). This deficiency could be remedied by the addition of IFN- β in the asthma and COPD models, providing the basis for the clinical development programme which followed. This culminated in a Phase II proof of concept trial in asthma, which read out in 2012. Exacerbations (acute deterioration of symptoms) represent the greatest unmet clinical need in asthma and COPD, and the common cold causes up to 80% of asthma exacerbations¹.

4. Asthma and COPD statistics

- 235 million people currently suffer from asthma² and 64 million people have COPD³. COPD (chronic obstructive pulmonary disease) is a collective term for chronic bronchitis and emphysema.
- The NHS spends around £1 billion a year treating and caring for people with asthma in the UK⁴.

- In the UK, one in eight (130,000) emergency admissions to hospital is for COPD, making it the second largest cause of emergency admission in the UK, and one of the most costly inpatient conditions treated by the NHS⁵.

References

1. J.T. Kelly et al. Host immune responses to rhinovirus: Mechanisms in asthma. *J Allergy Clin Immunol* 2008; 122: 671-682
2. World Health Organisation Fact Sheet on asthma (November 2013) (<http://www.who.int/mediacentre/factsheets/fs307/en/>)
3. World Health Organisation Fact Sheet on COPD (October 2013) (<http://www.who.int/mediacentre/factsheets/fs315/en/>)
4. Asthma UK website accessed 11 June 2014 (<http://www.asthma.org.uk/asthma-facts-and-statistics>)
5. British Lung Foundation. Invisible lives: Chronic Obstructive Pulmonary Disease (COPD) finding the missing millions. 2007.