



Alectos Therapeutics Inc.
8999 Nelson Way
Burnaby, B.C., Canada
V5A 4B5

Alectos Therapeutics Announces Achievement of Phase I Clinical Milestone in Merck Alzheimer's Collaboration

Vancouver, British Columbia (December 12, 2014) – Alectos Therapeutics Inc. today announced the initiation of a Phase I clinical trial in its collaboration with Merck, known as MSD outside the U.S. and Canada, to identify and develop compounds that modulate O-linked N-acetylglucosaminidase (OGA), an enzyme that is believed to be involved in the development of Alzheimer's disease and potentially other disorders. Under the terms of the agreement, Alectos has received an undisclosed milestone payment from Merck.

"We are excited to advance our collaboration with Merck to clinical studies" Ernest McEachern, Ph.D., CEO of Alectos, said. "We believe that the achievement of this milestone further demonstrates our scientific leadership in this area, and is an important validation of this novel mechanism for treatment of neurodegenerative disease. We look forward to continuing to work with Merck to advance this innovative and promising new therapeutic approach to the treatment of Alzheimer's disease and related tauopathies".

The agreement provides Merck with a worldwide, exclusive license to research, develop and commercialize compounds that modulate OGA. Under the agreement, Alectos and Merck collaborate on discovery efforts and preclinical development, while Merck is responsible for clinical development and will have worldwide marketing and commercialization rights to any resulting products. Alectos is eligible to receive a total of US \$289 million in an upfront fee, research, development and regulatory milestones in addition to tiered royalty payments on sales of any products resulting from this collaboration.

About Alzheimer's Disease

Alzheimer's disease (AD) is a debilitating and progressive neurodegenerative disease. Symptoms include memory loss, behaviour and personality changes, and a decline in cognitive abilities. While the precise causes of AD remain unknown, it is generally thought to result from a combination of genetic and environmental factors. Current AD therapies provide relief of symptoms, but do not affect disease progression. The next generation of AD therapies could include disease-modifying drugs that slow, or even arrest, the neurodegeneration associated with this disorder. AD is estimated to affect over 5.4 million patients in North America and is currently the sixth leading cause of death in the United States. For more information on AD, please visit www.alz.org.

About Alectos Therapeutics Inc.

Alectos Therapeutics is a private pharmaceutical company dedicated to the discovery and development of novel small-molecule drugs for human disease. Alectos was founded in 2007 as a spin-off company based on technologies initially discovered in the laboratory of Professor David Vocadlo at Simon Fraser University, who also serves as Alectos CSO. For more information, please visit our website at www.alectos.com. Digital images are available by request.

Contact

Ernest McEachern, Ph.D.
President & CEO Alectos Therapeutics Inc.
Phone: 604-628-7129
Email: info@alectos.com