

PRESS RELEASE

AFFiRiS AG:

Capital Increase: AFFiRiS Brings Santo VC and MIG 11 on Board

Vienna, November 8, 2011 – Santo VC GmbH has acquired a EUR 20 million stake in Vienna-based AFFiRiS AG effective immediately and has also secured an option for further capital increases in the future. At the same time, the German MIG fund increased its existing investment in AFFiRiS by EUR 5 million through its MIG 11 fund. As a result, AFFiRiS now has an additional EUR 25 million in equity at its disposal for financing its wide-ranging clinical development programme. The option granted gives Santo VC and MIG the opportunity to extend their stake in the Vienna-based biotech company by a further combined EUR 30 million.

Today, Vienna-based AFFiRiS AG announced a capital increase of EUR 25 million. EUR 20 million of this amount is contributed by Santo VC GmbH and EUR 5 million by MIG. Santo and MIG have been key investors in the biotech industry for a number of years. For Santo, the interest in Vienna-based AFFiRiS AG is the first of its kind outside Germany. This move means that AFFiRiS AG has succeeded again in continuing its wide and diversified financing strategy for its pre-clinical and clinical programmes. Over the past few years this strategy has been based on a mixture of venture capital from MIG funds, cash inflows from the license agreement with GlaxoSmithkline Biologicals as well as public sector funding and private funds from the Michael J. Fox Foundation.

Walter Schmidt, CEO and co-founder of AFFiRiS, commented on the latest financing success: "Having Santo on board, we have gained a partner who is financially strong and on top of that brings in professional expertise and an extensive industrial network. MIG on the other hand is a long-standing partner who is committed to contribute on an entrepreneurship-based attitude and has already given valuable impact to the company's development." Frank Mattner, CSO and co-founder, added: "Already at the start of discussions, it became obvious to all parties immediately, that there is a common understanding what the future development of AFFiRiS should look like as we implement the appropriate actions. We are delighted that Santo is appreciating AFFiRiS's potential by committing a substantial stake into the company."

Opportunities > Risks

Regarding his positive investment decision for AFFiRiS, Thomas Strüngmann explains: "We are excited about the opportunity to invest into this very promising biotech company. Seeing what Walter Schmidt and Frank Mattner have created and established with their top class team we remain highly impressed."

A further substantial argument for Santo to invest into AFFiRiS is related to recent developments in its key projects – in particular to the exciting progress of the ongoing

Parkinson's project. Here, the aim is to deliver the world's first vaccine for Parkinson's disease – a project for which a Phase I safety and tolerability trial, supported by the American Michael J. Fox Foundation with almost USD 2 million, will start early 2012. The Parkinson's disease vaccine benefits from the company's experience in developing vaccines against Alzheimer's disease. In 2008, the company closed a licence agreement with GSK Biologicals, worth up to EUR 430 Mio. milestone-based payments.

The basis for all these programmes is the company's AFFITOME® technology plus related know-how which allows the preclinical development of entire vaccine families with high specificity which are then moved quickly into clinical testing following the company's strategy called "clinical maturation".

Michael Motschmann, Management Chairman of the board of MIG Verwaltungs AG, on the most recent company developments: "AFFiRiS is an incredibly attractive investment. The company offers the unique combination of a validated platform technology and an approach of producing several vaccine candidates respectively, for diseases with unmet medical need and attractive markets. We are delighted to offer our investors another opportunity to invest in AFFiRiS through this capital increase."

If the ongoing projects develop as expected, the mutually agreed option for Santo and MIG could deliver another EUR 30 million in equity to the company.

About AFFiRiS AG (as of November 2011):

Based on the company's own patent positions, AFFiRiS develops tailor-made peptide vaccines for Alzheimer's disease, Atherosclerosis, Parkinson's disease, hypertension and several other conditions with urgent requirement for new treatments and attractive market volumes. Alzheimer's is the current lead indication. A license and option agreement for the Alzheimer's vaccine programme was concluded with GlaxoSmithKline in October 2008, triggering an up-front payment of EUR 22.5 million. The contract envisages (milestone-dependent) payments of up to EUR 430 million. An initial milestone payment of EUR 10 million was made in October 2009 followed by EUR 3.5 million as announced recently. AFFiRiS currently employs 83 highly-qualified staff at the Campus Vienna Biocenter in Vienna, Austria (www.affiris.com).

About Santo VC GmbH

Santo VC GmbH is the venture capital arm of Athos Service GmbH, the family office of the Strüngmann family.

MIG Funds

Based in Munich, MIG Funds ranks as one of Germany's most dynamic venture capital companies. Since 2005 MIG has been launching funds and has invested in over 25 innovative German and Austrian companies to date. The MIG fund portfolio is managed by MIG AG. With a total volume of over EUR 500 million, the funds are marketed exclusively by AWAG (www.awag.ag) and are primarily directed at private investors.

MIG funds are conceived and drawn up by HMW Emissionshaus AG.

For further information on MIG funds, MIG AG and its investment portfolio, please visit the www.mig-fonds.de and www.mig.ag websites.

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