For Immediate Release:

FLAG Therapeutics Announces the Issuance of a New US Patent That Includes Composition of Matter on Their Bi-Specific Lead Candidate for Oncology

RALEIGH, N.C., February 26, 2015 – FLAG Therapeutics Inc. today announced that the U.S. Patent and Trademark Office has issued U.S. Patent No. 8,946,239 entitled "Substituted Pyrrolo, -Furano, and Cyclopentylpyrimidines having Antimitotic and/or Antitumor Activity and Methods of Use Thereof" that will provide protection until June 19, 2031. This patent covers a library of compounds and includes the composition-of-matter protection for the lead bi-specific antiangiogenic and antitubulin candidate FLAG will advance to clinical trials. This brings FLAG's IP portfolio to 28 issued and 26 filed patents for their oncology pipeline.

"This USPTO allowance bolsters FLAG's robust IP portfolio and will provide a long runaway to enable us to fully develop and commercialize our lead candidate for multiple applicable cancers. We look forward to advancing our drugs to provide life-saving treatments for patients who desperately need improved therapies" said Frank Sorgi, president and chief executive officer, FLAG Therapeutics.

FLAG's bi-specific antiangiogenic and antitubulin (AA/AT) compounds are the only small-molecule compounds that combine the activities of the cornerstones of oncology therapy, anti-angiogenics and cytotoxics, without resorting to more complex and unpredictable linker, drug delivery or antibody technologies. In doing so, these FLAG's compounds guarantee simultaneously assaults on the tumor which is critical because:

- Solid tumors have a positive pressure gradient and irregular vasculature that increases the challenge of introducing cytotoxic drugs required to kill the tumor.
- Anti-angiogenic drugs normalize tumor vasculature, shrink tumors and provide a transient opportunity to deliver the cytotoxic drugs necessary to kill the tumor.
- If this narrow window of opportunity is missed, the route of administration for cytotoxic drugs is cut off and the remaining tumor can fragment, metastasize and develop resistance.
- FLAG's dual-acting drugs guarantee that the cytotoxic activity is delivered when the tumor pressure gradient and vasculature is normalized but before the blood supply is cut off.
- Different dosing schedules, administration routes, pharmacokinetics and intra-/inter- patient variability make it impossible to guarantee that this therapeutic window is hit with concomitant administration of two separate drugs.

As noted in the issued patent, FLAG's AA/AT compounds also circumvent the two major mechanisms of drug resistance (Pgp and β-III tubulin overexpression) that limit the utility of current cytotoxic therapies (taxanes and vinca alkaloids). Unlike most cancer drugs, FLAG's lead candidate also crosses the blood-brain barrier making it an attractive candidate for challenging brain tumors including glioblastoma multiforme (GBM) for which there is only one, very limited, approved therapy.

About FLAG Therapeutics

FLAG Therapeutics is an RTP, North Carolina based company founded on breakthrough research that has yielded two novel classes of small-molecule, water-soluble oncology drugs. Their compounds have well elucidated mechanisms of action against clinically validated targets. In preclinical models, FLAG's lead compounds have demonstrated statistically significant superiority in the appropriate disease models vs. approved comparator drugs that exceed $5

billion in sales. Each program has a late-stage preclinical lead that is one year from IND filing. To learn more about FLAG Therapeutics, please visit www.flagtherapeutics.com. Information on FLAG Therapeutics' website is not incorporated by reference into this press release.

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