



For immediate release

Avraham Pharmaceuticals Announces Successful Second Interim Results in Phase 2b Study of Ladostigil for the Treatment of Mild Cognitive Impairment

Results show positive trends in primary end point of delaying or preventing onset of Alzheimer's disease

Final results expected in Q3 2016, following 3 years of treatment

Yavne, Israel, July 28, 2015 --- Avraham Pharmaceuticals Ltd. announced today successful second interim results in a Phase 2b clinical trial for the evaluation of the safety and efficacy of ladostigil, for the treatment of mild cognitive impairment (MCI). After 2 years of treatment, the results point to a positive trend of the ladostigil treated group in comparison to the placebo treated group in the number of patients who did not progress from MCI to Alzheimer's disease.

The interim results reflect data from all MCI patients who completed up to 2 years of treatment. The primary end point is to determine whether ladostigil can delay or prevent the onset of Alzheimer's disease. The conversion from MCI to Alzheimer's disease is determined using the Clinical Dementia Rating scale (CDR), a common measurement tool for determining the stage of dementia. The interim results also show statistically significant protection ($p=0.01$) of ladostigil against loss of whole brain volume as measured by MRI. Brain volume measurements are known biomarkers for neurodegenerative disease. Longitudinal MRI studies improve predictive power in assessing the prognosis of individuals with MCI. Furthermore, the data support the mechanism of action of the drug of reducing inflammation, as seen in improvement of immune parameters, and in particular reduction of the pro-inflammatory cytokines $INF\gamma$ and $TNF\alpha$.

In addition, an independent expert committee evaluated the safety data on all patients participating in the trial. The expert committee concluded that there are no safety issues preventing continuation of the trial. There were no serious or unexpected adverse events related to the drug.

"Based on the positive outcome of the two interim analyses to date, the Company intends to begin discussions with the FDA regarding further development of ladostigil towards a Phase 3 pivotal trial. The next step will be a pre-IND meeting with the regulatory authorities," said **Yona Geffen, Ph.D., Chief Executive Officer of Avraham Pharmaceuticals**. "We are very encouraged from these additional positive interim results of this on-going Phase 2b study, and believe that ladostigil holds the potential of a disease modifying drug that will alleviate MCI symptoms and prevent progression to Alzheimer's disease."

Yaacov Michlin, Chairman of Avraham Pharmaceuticals and Chief Executive Officer of Yissum, said, "MCI often progresses to dementia, and in particular to Alzheimer's disease. Currently there is no treatment for MCI, and there is a high medical and human interest to be able to delay this progression. This Phase 2b trial is intended to assess the ability of ladostigil, a drug with neuroprotective activity, to slow the deterioration of people with MCI. We are thus very pleased with the favorable efficacy trend of the second interim results and the excellent safety profile of the drug, and look forward to the final results expected at Q3 2016."

Ladostigil's on-going Phase 2b trial is a 3 years, multi-center, randomized, double-blind, placebo-controlled trial that includes 210 MCI patients (allocated 1:1, ladostigil vs. placebo) in 16 centers in Europe and Israel. The 2nd successful results announced today follow positive results from the first interim analysis, which the Company announced in July, 2014.

About Ladostigil

Ladostigil was designed by Professor Marta Weinstock-Rosin of the Hebrew University of Jerusalem, inventor of Exelon® and Professor Moussa B.H. Youdim of the Technion Israel Institute of Technology, inventor of Azilect®. The drug substance was first synthesized by Professor Michael Chorev of the Hebrew University, who is now based at Harvard University. All three distinguished scientists act as scientific advisors to Avraham Pharmaceuticals.

Ladostigil was originally designed as a cholinesterase and brain-selective monoamine oxides inhibitor. However, in low doses that do not inhibit the enzymes, ladostigil has neuroprotective activity, by reducing oxidative stress, reducing microglial activation and inhibiting proinflammatory cytokines. Therefore, ladostigil provides a drug candidate that may have the potential to slow progression to Alzheimer's disease in patients diagnosed with MCI. This potential has been amply demonstrated in animal models, especially in studies of aging rats. The drug, which was exclusively licensed to Avraham Pharmaceuticals by Yissum Research Development Company Ltd., and by the Technion Research and Development Foundation Ltd. (TRDF), has proven to be safe and well tolerated in Phase I and Phase II clinical trials.

About Mild Cognitive Impairment

Mild cognitive impairment (MCI) is a syndrome defined as an intermediate stage between the expected cognitive decline of normal aging and the more pronounced decline of dementia. It involves problems with memory, language, thinking and judgment that are greater than typical age-related changes. Although MCI can present with a variety of symptoms, when memory loss is the predominant symptom it is termed "amnestic MCI" and is frequently seen as a prodromal stage of Alzheimer's disease. Prevalence in population-based epidemiological studies ranges from 15% in adults older than 65 years. There is no proven treatment or therapy for MCI.

About Avraham Pharmaceutical

Founded in 2010, Avraham Pharmaceuticals develops ladostigil, a unique, multi-functional drug substance for the treatment of mild cognitive impairment, currently undergoing a Phase IIb clinical trial. Investors in the Company include Yissum Research Development Company Ltd., the technology transfer arm of the Hebrew University Clal Biotechnology

Industries Ltd., the Pontifax Fund, Integra Holdings and the Technion Research and Development Foundation Ltd.

Media Contact:

Tsipi Haitovsky

Media Liaison, Yisum Ltd.

Tel: +972-52-598-9892

E-mail: tsipih@yisum.co.il