



**METAMORPHIX, INC.**

Improving Livestock Production and  
Animal Health Through  
Biotechnology

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**For Immediate Release**

**MetaMorphix Acquires Animal  
Health Assets of BIOSTAR**

**—Company Obtains Second Platform Technology; Gains Unique Immunopharmaceutical  
Technology and Broad Product Pipeline Addressing Multiple Markets—**

*Baltimore, Md., August 23, 2000*—MetaMorphix, Inc. announced today that it has completed its acquisition of certain animal health assets of BIOSTAR, Inc. of Saskatoon, Saskatchewan, Canada, encompassing that company's R&D facilities, staff, and intellectual property. Terms of the acquisition were not disclosed.

The acquisition provides MetaMorphix with an enabling technology capable of delivering MetaMorphix's proprietary Myostatin™ platform technology for achieving superior production characteristics in livestock. The acquired assets also have potential application with the company's other growth factors currently in development. MetaMorphix gains a number of additional strategic new assets as a result of the transaction, including:

- four products in various stages of clinical development for improving livestock production efficiencies, livestock animal health, and companion animal health;
- an experienced staff of animal health researchers; and
- a 12,000-square-foot, state-of-the-art animal health R&D facility located in Saskatoon.

The platform technology acquired from BIOSTAR is an immunopharmaceutical approach that stimulates the body's own immune system to produce specific antibodies against a target. The approach is parallel to that being used by leading biotechnology companies for development of human therapeutic vaccines targeting cancer and other conditions, a number of which are currently in the marketplace and in various stages of clinical trials. In livestock, the immunopharmaceutical technology has the potential to reduce reliance on artificial inputs, generate more meat per animal, improve feed conversion, produce leaner meat, and decrease manure output. The technology platform also provides a nonsurgical alternative to castration in companion animals.

The four development-stage vaccine products acquired in the transaction are:

- *CLean*<sup>TM</sup>: Eliminates boar taint and improves production efficiency in swine
- *NeuterVax*<sup>TM</sup>: A nonsurgical alternative to castration in companion animals
- *OvaMax*<sup>TM</sup>: Combats brooding in egg-laying turkey hens and increases egg production per hen
- *IMS*<sup>TM</sup> *Cattle*: Prevents heifers in feedlots from entering into estrus, eliminating the use of artificial inputs

Post-transaction, MetaMorphix has 29 employees, with 15 located at company headquarters in Baltimore and the remaining 14 animal health researchers and staff located in Canada. The Saskatoon facility will continue operations under the new name, MetaMorphix Canada, Inc. MetaMorphix has appointed Murray D. Jelinski, M.Sc., D.V.M., to serve as General Manager of MetaMorphix Canada. Dr. Jelinski, who will continue to direct the company's *CLean*<sup>TM</sup> program, joined BIOSTAR in 1998 from Hoechst Roussel Vet (Canada), where he was manager of product development and registration.

“The acquisition of BIOSTAR adds a second broad technology platform that enables us to create an entirely new family of products that expands and strengthens our focus on significantly improving livestock production and animal health,” said Edwin C. Quattlebaum, Ph.D., Chairman, President, and CEO of MetaMorphix. “The nearer-term revenues from BIOSTAR’s developing product lineup—which address multiple animal health sectors—will neatly complement the longer-term promise of our earlier-stage product developments. Most significant, BIOSTAR’s powerful immunopharmaceutical technology provides the ideal delivery mechanism for one approach of our lead development programs in *Myostatin*<sup>TM</sup>. We expect it to substantially reduce the competitive landscape for our *Myostatin*<sup>TM</sup>-based products and to accelerate their commercial development.”

*Established in 1994, **MetaMorphix, Inc.** is a privately held animal health company focused on discovering, acquiring, developing, and commercializing a new generation of biotechnology-based products and technologies to improve livestock production and animal health.*

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