

mondobioTECH holding AG (SIX:RARE) announces the execution of a loan facility granted by the Company's largest shareholder

Stans, Switzerland, 14 November 2011 – mondobioTECH holding AG (SIX: RARE) announces today that the Company has signed a subordinated and unsecured loan facility, granted to the Company by its largest shareholder, BioPharma Invest AG. The loan agreement allows the Company to access the facility as a credit line and the borrower to convert the loan into shares of the Company.

In the notes to the Company's Half Year Interim Results, the ability for the Group to continue as a going concern was indicated as dependent on a number of conditions, the main ones being: i) a substantial reduction in the operating costs; ii) the disposal of some non-strategic assets; iii) a productive effort to allow the licensing of some Medicinal Product Candidates within a reasonable timeframe; iv) the ability to keep within the budgeted limits the overall costs of supporting the patent applications filed in the past and v) the successful conclusion of additional fund raising.

The targeted capital increase has faced very troublesome market conditions and therefore the conclusion of additional fund raising is more difficult and needs more time than originally expected. The loan facility granted to the Company will be used as a bridging loan to cover the operating expenses of the Company for a number of months, in which mondobioTECH will continue its operations until the fund raising efforts produce the intended results. Should these efforts fail to produce results by the end of the first quarter of 2012, the Company has already identified a stricter austerity plan, ready to be implemented at any time, in order to further reduce its liquidity needs.

In the meantime, the Company has been able to reduce its cost base very significantly, while past liabilities – in particular those related to obtaining and maintaining its vast IP portfolio – have been restructured and reduced, allowing substantial savings. Some non strategic assets have been realized, thus improving the cash situation of the Company, while the Company is actively marketing its Medicinal Product Candidates in order to successfully conclude one or more licensing transactions.

About mondobioTECH

mondobioTECH holding AG (SIX Swiss Exchange ticker symbol: RARE), an independent Swiss biotech company, discovers drugs for patients suffering from rare diseases through its internally developed Search&Match methodology. In Search&Match mondobioTECH's scientists combine their unique knowledge of biologically active human peptides with advanced technology solutions delivering medicinal product candidates for rare diseases to licensing partners.

Furthermore, mondobioTECH has built and is expanding a continuously growing Community of high-level physicians and researchers who dedicate their life to rare diseases. This Rare Community is composed of biologists, biochemists, physicians, patients and patient advocacy organizations as well as other persons and organizations who share their experiences, know-how, expertise and skills with mondobioTECH to reach out to people who will benefit the most from an effective treatment, the patients.

For further information please contact

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