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UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF PENNSYLVANIA

[redacted] on Behalf of Himself and All Others Similarly Situated, Plaintiff, v. POLYMEDIX, INC., NICHOLAS LANDEKIC, EDWARD F. SMITH, and R. ERIC MCALLISTER, Defendants.	Case No. CLASS ACTION CLASS ACTION COMPLAINT FOR VIOLATION OF FEDERAL SECURITIES LAWS JURY TRIAL DEMANDED

INTRODUCTION

1. This is a securities class action on behalf of all persons who purchased PolyMedix, Inc. ("PolyMedix" or the "Company") securities between March 7, 2011 and May 10, 2012, inclusive (the "Class Period"), against PolyMedix and certain of its current and former officers and directors for violations of the Securities and Exchange Act of 1934 (the "Exchange Act"). This matter arises out of false and misleading statements about the safety of the Company's new experimental drug compound, PMX-60056.

2. PolyMedix is a clinical stage biotechnology company that develops drugs for the treatment of serious acute care conditions. To date, the Company has not generated any product sales revenues or achieved profitable operations and, thus, has financed its operating and investing activities primarily through the sale of equity securities and issuance of debt. Throughout the Class Period, the Company had two experimental compounds in clinical trials, PMX-30063 and PMX-60056. One of these prospective drugs, PMX-60056, was a cardiovascular compound that was intended to reverse the activity of common blood clotting agents in order to avoid the risk of stroke. On February 9, 2011, the Company initiated Phase 2 clinical trials for PMX-60056. The Company proceeded with Phase 2 clinical trials for PMX-60056 even though Phase 1 clinical trial results suggested that this drug was linked to adverse blood pressure side effects, specifically hypotension.

3. Despite Defendants' (as defined herein) knowledge or reckless disregard of PMX-60056's adverse side effect, they made no mention as to the severity of this problem, and its effect on the continued development and marketability of this new drug compound. Defendants consistently misled investors about the commercial viability, safety, and market potential for PMX-60056. Defendants boasted about PMX-60056's safety in every completed stage of its clinical development. These purportedly positive clinical trial results furthered Defendants' claims of PMX-60056 being "well tolerated" with "no serious or reportable adverse events occurring." Moreover, Defendants repeatedly touted PMX-60056's "minimal side effects" and downplayed investor concerns regarding potential blood pressure issues by stating that the "brief reductions in blood pressure" were "transient and not clinically significant."

4. As expected, these materially false and misleading statements excited investors and analysts alike. As a result, PolyMedix's stock traded at artificially inflated prices during the Class Period, reaching a high of $1.50 on February 14, 2012. In turn, analysts responded to the Company's allegedly positive results by reiterating their "Buy" rating and raising their price targets to upwards of $5.

5. Defendants needed to mislead the public about PMX-60056 in order to ensure the Company could continue to raise money. PolyMedix only had two drugs developing in its pipeline. If one of these drugs failed, it would severely affect PolyMedix's stock price and investor confidence. By February 2011, the same time PolyMedix initiated its Phase 2 clinical trials, Defendants knew the Company was approaching a $20 million dollar equity offering, capital that PolyMedix desperately needed to continue the development of PMX-30063. Defendants took advantage of the uninformed yet favorable market by completing a direct offering of the Company's common stock in April 2011 for gross proceeds of $20 million.

6. PMX-60056's actual performance and safety, however, fell woefully short of Defendants' false statements. On May 10, 2012, PolyMedix issued a press release disclosing for the first time to investors that the Company "decided to stop enrollment in both [PMX-60056] clinical trials due to observations of reductions in blood pressure." Defendants caused the market to believe

that PMX-60056 was going to be an "unprecedented" breakthrough because it would not cause the same safety concerns as its sole competitor in the market, protamine. On the contrary, however, PMX-60056 suffered from worse and more debilitating side effects that would preclude its further development.

7. When the true state of PMX-60056's clinical development and adverse side effects became public, PolyMedix's shares sank from a closing pricing of $0.59 on May 10, 2012, to a closing price of $0.36 at the end of the day on May 11, 2012. This amounted to a single-day decline of nearly 29%. Defendants' violation of federal securities laws cost unsuspecting shareholders tens of millions of dollars.

JURISDICTION AND VENUE

8. The claims asserted herein arise under section 10(b) and section 20(a) of the Exchange Act, 15 U.S.C. §78j(b) and §78t(a), and Rule 10b-5 promulgated thereunder by the U.S. Securities and Exchange Commission ("SEC"), 17 C.F.R. §240.10b-5.

9. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §1331 and section 27 of the Exchange Act, 15 U.S.C. §78aa.

10. This Court has jurisdiction over each defendant named herein because each defendant is an individual who has sufficient minimum contacts with this District so as to render the exercise of jurisdiction by the District Court permissible under traditional notions of fair play and substantial justice.

11. Venue is proper in this Court pursuant to 28 U.S.C. §1391(a) and section 27 of the Exchange Act because: (i) one or more of the Defendants resides in this District; (ii) a substantial portion of the transactions and wrongs complained of herein, including the Defendants' primary participation in the wrongful acts detailed herein, and aiding and abetting and conspiracy in violation of fiduciary duties owed to PolyMedix, occurred in this District; and (iii) defendants have received substantial compensation in this District by doing business here and engaging in numerous activities that had an effect on this District.

PARTIES

12. Plaintiff [redacted] purchased securities of PolyMedix during the Class Period as set forth in the accompanying certification, incorporated by reference herein, and was damaged as a result of Defendants' wrongdoing as alleged in this Complaint.

13. Defendant PolyMedix is a Delaware corporation and a public holding company that conducts its operations through its wholly-owned subsidiary, PolyMedix Pharmaceuticals, Inc. ("PPI"). PolyMedix is a clinical stage biotechnology company focused on developing treatments for patients with acute care conditions using synthetic small molecule compounds referred to as biomimetics. To date, the Company has not generated any product sales revenues or achieved profitable operations and, thus, has financed its operating and investing activities primarily through the sale of equity securities and issuance of debt. PolyMedix's principal executive offices are located at 170 North Radnor-Chester Road, Suite 300, Radnor, Pennsylvania.

14. Defendant Nicholas Landekic ("Landekic") is PolyMedix's President, Chief Executive Officer ("CEO"), and a director and has been since November 2005. Landekic is also PPI's President, CEO, and a director and has been since August 2002. Landekic co-founded PPI in August 2002. Throughout the Class Period, Landekic made false and misleading statements regarding the commercial viability, safety, and market potential for PMX-60056. Landekic, because of his positions with PolyMedix, had a substantial role in the day-to-day operations of the Company and possessed the power and authority to control the contents of its annual reports, press releases, and presentations to securities analysts, money and portfolio managers, and investors, i.e., the market. Landekic was provided with copies of the Company's reports and press releases alleged herein to be misleading prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of Landekic's positions with the Company, and his access to material, non-public information available to him but not to the public, Landekic knew that the adverse facts specified herein had not been disclosed to and were being concealed from the

public, and that the positive representations being made were then materially false and misleading. Landekic is liable for his false statements pleaded herein, including those in the Registration Statement that facilitated the Company's fraudulent $20 million offering in April 2011.

15. Defendant Edward F. Smith ("Smith") is PolyMedix's Vice President, Finance and Chief Financial Officer ("CFO") and has been since January 2006. Throughout the Class Period, Smith made false and misleading statements regarding the commercial viability, safety, and market potential for PMX-60056. Smith, because of his positions with PolyMedix, had a substantial role in the day-to-day operations of the Company and possessed the power and authority to control the contents of its annual reports, press releases, and presentations to securities analysts, money and portfolio managers, and investors, i.e., the market. Smith was provided with copies of the Company's reports and press releases alleged herein to be misleading prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of Smith's positions with the Company, and his access to material, non-public information available to him but not to the public, Smith knew that the adverse facts specified herein had not been disclosed to and were being concealed from the public, and that the positive representations being made were then materially false and misleading. Smith is liable for his false statements pleaded herein, including those in the Registration Statement that facilitated the Company's fraudulent $20 million offering in April 2011.

16. Defendant R. Eric McAllister ("McAllister") was PolyMedix's Vice President of Cardiovascular Clinical Development from January 2011 to August 2011, and Vice President of Clinical Development and Chief Medical Officer from November 2006 to January 2011. McAllister, because of his positions with PolyMedix, had a substantial role in conducting, supervising, and monitoring the clinical trials relating to the Company's two lead drug compounds, PMX-30063 and PMX-60056. Because of McAllister's positions with the Company, and his access to material, non-public information available to him but not to the public, McAllister knew that the adverse facts specified herein had not been disclosed to and were being concealed from the public, and that the

positive representations being made were then materially false and misleading. McAllister is liable for his false statements pleaded herein.

17. The defendants named in ¶¶13-16 are sometimes collectively referred to herein as the "Defendants."

FRAUDULENT SCHEME AND COURSE OF BUSINESS

18. Defendants are liable for: (i) making material false statements; and (ii) failing to disclose material, adverse facts known to them about PolyMedix. Defendants' fraudulent scheme and course of business that operated as a fraud or deceit on purchasers of PolyMedix securities was a success, as it: (i) deceived the investing public as to PolyMedix's business prospects and operations; (ii) artificially inflated the price of PolyMedix securities; and (iii) caused plaintiff and other members of the Class (as defined herein) to purchase PolyMedix securities at inflated prices.

BACKGROUND

19. PolyMedix is a clinical stage biotechnology company that develops drugs for the treatment of serious acute care conditions. Over the past several years, PolyMedix has been in the process of developing PMX-60056, a drug compound designed to reverse the activity of anti-blood clotting agents. PMX-60056 is a synthetic, small-molecule designed to restore blood clotting to help reduce the incidence of bleeding in certain interventional cardiology procedures. PMX-60056 reverses the most common blood clotting agents used in the hospital setting, heparin, and its derivative, low molecular weight heparin ("LMWH"). Because bleeding is a common side effect that can occur from use of these drugs, there is a significant unmet medical need for a pharmaceutical agent which can safely reverse their anti-blood clotting activity.

20. In February 2011, the Company initiated a Phase 2 clinical trial to assess the safety and efficacy of PMX-60056. By that point in time, PolyMedix completed: (i) a single-dose Phase 1B/2 study where PMX-60056 met the study endpoints regarding safely and efficacy in permanently reversing heparin; (ii) a single-dose Phase 1B/2 study where PMX-60056 met the study endpoints regarding safety and efficacy in reversing the LMWH; and (iii) a dose-ranging Phase 1B/2 clinical study where PMX-60056 met the study endpoints regarding safety and efficacy in both the reversal

of varying heparin levels, and allowing re-anticoagulation and re-reversal. As such, PolyMedix completed a substantial majority of Phase 1 testing by the February 2011 initiation of the Phase 2 clinical trial.

21. PolyMedix defines the Phase 1 clinical trial as the initial introduction of an investigational new drug into human patients or healthy volunteer subjects. According to the Company, Phase 1 clinical trials are designed to determine the safety, metabolism, and pharmacologic actions of a drug in humans, the potential side effects of the product candidates associated with increasing drug doses and, if possible, to gain early evidence of the product candidate's effectiveness. Phase 1 trials also include the study of structure-activity relationships and mechanism of action in humans, as well as studies in which investigational drugs are used as research tools to explore biological phenomena or disease processes. During Phase 1 clinical trials, sufficient information about a drug's pharmacokinetics and pharmacological effects are obtained to permit the design of well-controlled, scientifically valid Phase 2 studies.

22. PolyMedix's own definition of a Phase 1 clinical trial, which aligns with the U.S. Food and Drug Administration and the U.S. National Institutes of Health's definition, implies that blood pressure is studied in Phase 1. PMX-60056's effect on blood pressure was studied as part of the drug's "metabolism," "pharmacologic actions," or "pharmacological effects." Accordingly, observations such as reductions in blood pressure in patients would show up early in clinical trials, well before the initiation of the Phase 2 clinical trial.

23. Defendants did not disclose the truth about PMX-60056 because PolyMedix needed to raise money for the continued development of PMX-30063, the Company's only remaining chance at redemption. To date, the Company had not generated any product sales revenues or achieved profitable operations and, thus, had financed its operating and investing activities primarily through the sale of equity securities and issuance of debt. Due to this lack of revenue, the Company admitted in early 2011 that it does "...not currently have the funding resources necessary to carry out all of [its] planned operating activities."

DEFENDANTS' FRAUDULENT STATEMENTS AND OFFERINGS

24. Given the pressures in maintaining investor confidence, Defendants deliberately or with extreme recklessness misled the public concerning the Company's financial condition and business prospects, specifically relating to the development of the Company's purportedly breakthrough cardiovascular compound, PMX-60056.

25. On March 7, 2011, in its Form 10-K, signed by defendants Landekic and Smith, PolyMedix touted PMX-60056's safety in every completed stage of its clinical development. PolyMedix specifically claimed that "PMX-60056 met the study safety and efficacy endpoints in reversing the anticoagulant activity of UFH" and that "PMX-60056 was well tolerated in this study, with no serious or reportable adverse events occurring." Moreover, PolyMedix touted "minimal side effects" and stated that the "brief reductions in blood pressure" were "transient and not clinically significant." The Form 10-K stated in part:

> ***PMX-60056 Clinical Development***
>
> *Clinical Experiments to Date*
>
> ***In October 2009***, we successfully completed a double-blind, placebo-controlled, crossover, proof-of concept UFH reversal study (Phase 1B/2) of PMX- 60056, which was conducted at a single site in the United States. ***PMX-60056 met the study safety and efficacy endpoints in reversing the anticoagulant activity of UFH.*** In all subjects receiving PMX-60056, there was a rapid and complete reversal of the anticoagulant action of UFH, as measured by activated clotting time (ACT) and activated partial thromboplastin time (aPTT). The UFH reversal appeared to occur at or before the end of the 10-minute infusion of PMX-60056, suggesting that the dose may have been in excess of requirements for reversal of the administered UFH dose. Furthermore, the reversal was permanent: there was no return of anticoagulation during the hours required for heparin's effects to decline naturally. ***PMX-60056 was well tolerated in this study, with no serious or reportable adverse events occurring. Subjects in the study experienced minimal side effects, which consisted of mild itching or warmth lasting only minutes, and brief reductions in blood pressure, which were transient and not clinically significant.***
>
> ***In June 2010***, we successfully completed a double-blind, placebo-controlled, crossover, proof-of-concept tinzaparin (a LMWH) reversal study (Phase 1B/2) of PMX-60056, which was conducted at a single site in the United States. ***PMX-60056 met the study safety and efficacy endpoints in reversing the anticoagulant activity of tinzaparin.*** PMX-60056, administered as a ten-minute infusion, reduced both anti-Xa activity (a critical clotting factor in the blood) and aPTT. After the first

administration of PMX-60056, the tinzaparin continued to enter the subjects' systems from the subcutaneous injection site, and as it did so, anticoagulation returned or continued. A second ten-minute infusion of PMX-60056 was administered three hours later, which showed similar results. ***PMX-60056 was well tolerated in this study, with no serious or reportable adverse events occurring. Subjects in the study experienced minimal side effects, which consisted of mild itching or warmth lasting only minutes, and brief reductions in blood pressure, which were transient and not clinically significant when LMWH was present.***

In August 2010, we successfully completed an open label, dose titration, UFH reversal study (Phase 1B/2) of PMX-60056, which was conducted at a single site in the United States. ***PMX-60056 met the study safety and efficacy endpoints in both the reversal of surgical levels of UFH and in subsequent re-anticoagulation with UFH and re-reversal with PMX-60056. PMX-60056 was well tolerated in this study, with no serious or reportable adverse events occurring. Subjects in the study experienced minimal side effects, which consisted of transient reductions in blood pressure, which were not clinically significant and were seen only at the end of some reversals when ACT was already nearing baseline after the last dose of PMX-60056.***

26. Along with signing the Form 10-K for fiscal year 2010, defendants Landekic and Smith signed required certifications pursuant to the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley") that falsely attested to the purported accuracy and completeness of their disclosures and the effectiveness of the Company's internal controls. The certification stated in pertinent part, as follows:

I, Nicholas Landekic, hereby certify that:

1. I have reviewed this annual report on Form 10-K of PolyMedix, Inc.;

2. ***Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;***

3. ***Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;***

* * *

March 7, 2011 By: /s/ Nicholas Landekic

Date Nicholas Landekic

President & Chief Executive Officer

* * *

I, Edward Smith, hereby certify that:

1. I have reviewed this annual report on Form 10-K of PolyMedix, Inc.;

2. ***Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;***

3. ***Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;***

* * *

March 7, 2011 — By: /s/ Edward F. Smith

Date — Edward F. Smith

Vice President, Finance & Chief Financial Officer
(Principal Financial and Accounting Officer)

27. Defendants took advantage of the uninformed yet favorable market by completing a direct offering of the Company's common stock in April 2011 for gross proceeds of $20 million. The Registration Statement facilitating the offering was signed by defendants Landekic and Smith. The Prospectus Supplement, forming part of the final Registration Statement, incorporated by reference the false and misleading Form 10-K filed with the SEC on March 7, 2011, which was also signed by Landekic and Smith. As expected, Defendants' materially false and misleading statements excited investors and analysts alike. The false and misleading statements about PolyMedix's prospects and the continued success in the development of its drugs caused investors to hurriedly purchase PolyMedix stock in the offering.

28. Analysts responded to the Company's claimed positive results by reiterating their "Buy" rating and raising their price targets to upwards of $5, substantially higher than the $0.36 stock price after the truth was revealed. These ratings and price targets did not reflect the true health of the Company because they were based on the false and misleading information disseminated by

Defendants. Analysts were led to believe that PMX-60056's blood pressure issue was "transient" in nature and "mild in magnitude." For example, in assessing the safety of PMX-60056, a Cowen and Company analyst report dated April 25, 2011, stated:

> ***Is PMX-60056 safe?*** Based on what we've seen so far, and barring any unpleasant surprises in the Phase II setting, the main adverse event that investors would be concerned about is hypotension. Even though we view any drug-related changes in blood pressure as worthy of serious attention, we do not believe that the hypotension observed with PMX-60056 in its trials thus far is one that would cause significant issues for the compound's development or potential commercial success. The reason is that the drug that PMX-60056 would be competing with, protamine, is also known to cause hypotension, of similar and even higher magnitude, given it is also a positively charged molecule. ***We thus believe that if PMX-60056 continues to demonstrate efficacy and safety similar to what has been observed in its trials thus far, hypotension of the transient nature and relatively mild in magnitude should not become a major hurdle in the compound's further development.***

29. Soon thereafter, on May 3, 2011, PolyMedix issued a press release in which defendant McAllister, the Company's Vice President of Cardiovascular Clinical Development, caused the public to believe that the Company could control PMX-60056's adverse blood pressure side effects by simply varying the dosage. McAllister's statements downplayed the significance of the risk involved in the development of PMX-60056. The press release stated in part:

> "Based on this preliminary analysis, it appears that each molecule of PMX-60056 binds with exactly one heparin or LMWH molecule," commented Dr. McAllister. "Not only should this make it easier to predict the correct dose for each patient, but it also supports our observation that PMX-60056 binds irreversibly to heparin and LMWH, and that ***only an excess of unbound PMX-60056 appears to contribute to any transient hypotension. These data will be helpful to identify precise dosing requirements*** as we design future clinical studies with PMX-60056."

30. On September 19, 2011, PolyMedix presented at UBS Investment Bank's Global Life Sciences Conference. At this conference, defendant Landekic further quelled any concerns regarding PMX-60056's safety, specifically relating to hypotension, by concluding that PMX-60056 "appears well-tolerated." In addition, Landekic stated that "there are no blood pressure changes that were considered either statistically significant or clinically important."

31. Analysts trusted Defendants' false statements. In an analyst report titled "3Q11: Key Value-Driving Catalysts Ahead - Buy Your Tickets Now," Yigal D. Nochomovitz, an analyst at Rodman & Renshaw, LLC, provided a "Market Outperform" rating and stated:

> PolyMedix has also demonstrated the potential for PMX-60056 to re-reverse subjects following re-heparinization, with ***no signs of hypotension***.
>
> * * *
>
> [I]n three positive Phase 1b/2 trials enrolling a combined total of 24 healthy subjects, ***PolyMedix has demonstrated that PMX-60056 rapidly and safely reverses the effects of heparin and LMWH*** as measured by blood clotting time (activated partial thromboplastin time, aPTT).

32. On December 7, 2011, PolyMedix issued a press release announcing that "PMX-60056 has met safety and efficacy endpoints in four clinical trials conducted to date...." The press release failed to disclose PMX-60056's serious side effects, specifically those relating to hypotension. The press release stated in part:

> PolyMedix is a clinical stage biotechnology company developing first-in-class, small-molecule drugs for the treatment of serious acute care conditions. PolyMedix has a pipeline of novel infectious disease and cardiovascular product candidates, all of which were internally developed using a proprietary drug discovery platform. PolyMedix's infectious disease program is centered on developing a new class of antibiotic's, known as defensin-mimetics, which are designed to mimic first-line human innate immunity, or host defense proteins. This innovative approach utilizes the same mechanism of action that evolved in nature which higher life forms use to protect themselves from bacteria. Having the same mechanism of action as the host defense proteins, defensin-mimetic antibiotics are designed to directly address one of the most significant issues in infectious disease today, drug resistance, which is believed to be much less likely to develop with this new defensin-mimetic class. PolyMedix's lead defensing mimetic drug candidate, PMX-30063, is currently in a Phase 2 clinical trial for its initial indication to treat patients with Acute Bacterial Skin and Skin Structure Infections (ABSSSI) caused by *S. aureus* bacteria, including methicillin-resistant *S. aureus* (MRSA). PolyMedix is also leveraging its antimicrobial expertise with the PolyCides®, antimicrobial additives to materials, such as cosmetics, plastics and textiles, to create self-sterilizing products and surfaces. The lead compound in PolyMedix's cardiovascular program is PMX-60056, which is designed to restore coagulation and mitigate bleeding in certain interventional cardiology procedures as well as treat bleeding in emergency situations where heparin and low molecular weight heparins (LMWHs) are used. ***PMX-60056 has met safety and efficacy endpoints in four clinical trials conducted to date demonstrating clinical proof of concept.*** PMX-60056 is currently in a Phase 2 clinical trial in patients undergoing PCI and in a Phase 1B/2 dose ranging clinical

> trial in subjects receiving the LMWH enoxaparin. For more information, please visit our website at www.polymedix.com.

33. That same day, on December 7, 2011, PolyMedix hosted a conference call with investors, media representatives, and analysts, during which defendant Landekic evaded an analyst's inquiries into the PMX-60056 studies. The exchange between the analyst and Landekic was as follows:

> [ANALYST:] Okay. Any update for us on 56's enrollment?
>
> [LANDEKIC:] Both of the 60056 studies are continuing, but in the interest of time, we'd like to keep this call focused on 30063.

34. On January 4, 2012, PolyMedix issued a press release reiterating that "PMX-60056 has met safety and efficacy endpoints in four clinical trials conducted to date...." This press release failed to disclose PMX-60056's serious side effects, specifically those relating to hypotension. The press release stated in part:

> PolyMedix's lead cardiovascular compound is PMX-60056, which is designed to normalize blood clotting and reduce bleeding in certain interventional cardiology procedures, as well as treat bleeding in emergency situations, where heparin and low molecular weight heparins (LMWHs) are used. ***PMX-60056 has met safety and efficacy endpoints in four clinical trials conducted to date demonstrating proof of concept***. PMX-60056 is currently in a Phase 2 clinical trial in patients undergoing PCI, and in a Phase 1B/2 dose ranging clinical trial with the LMWH enoxaparin.

35. Just over two weeks later, on January 20, 2012, PolyMedix issued a press release repeating that "PMX-60056 has met safety and efficacy endpoints in four clinical trials conducted to date...." This press release, like others before it, failed to disclose PMX-60056's serious side effects, specifically those relating to hypotension. The press release stated in part:

> PolyMedix's lead cardiovascular compound is PMX-60056, which is designed to normalize blood clotting and reduce bleeding in certain interventional cardiology procedures, as well as treat bleeding in emergency situations, where heparin and low molecular weight heparins (LMWHs) are used. ***PMX-60056 has met safety and efficacy endpoints in four clinical trials conducted to date demonstrating proof of concept.*** PMX-60056 is currently in a Phase 2 clinical trial in patients undergoing PCI, and in a Phase 1B/2 dose ranging clinical trial with the LMWH enoxaparin.

36. On March 13, 2012, in its Form 10-K, signed by defendants Landekic and Smith, PolyMedix again touted PMX-60056's safety in every completed stage of its clinical development.

PolyMedix specifically claimed that "PMX-60056 was generally well tolerated with no serious adverse events reported during the study." The Form 10-K stated in part:

> *Clinical Experiments to Date*
>
> ***In October 2009, we completed a single-dose Phase 1B/2 study where PMX-60056 met the study endpoints regarding safely and efficacy in permanently reversing heparin.*** Six healthy subjects were given 70 U/kg of heparin followed twenty minutes later with either a single dose of 0.3 mg/kg of PMX-60056 or a placebo administered intravenously. Each subject received two dosing regimens, initially with heparin and either PMX-60056 or a placebo and then, two days after the first dose, with the alternative regimen (heparin and either PMX-60056 or placebo). The anticoagulant activity of heparin was rapidly and completely reversed in all subjects receiving PMX-60056, as measured by activated partial thromboplastic time (aPTT).
>
> ***In June 2010, we completed a single-dose Phase 1B/2 study where PMX-60056 met the study endpoints regarding safety and efficacy in reversing the LMWH tinzaparin (Innohep®).*** Six healthy subjects were given a subcutaneous injection of tinzaparin, followed 5 and 8 hours later by two ten-minute intravenous infusions of PMX-60056 or placebo. PMX-60056 rapidly reduced anti-Xa activity (a critical clotting factor) and rapidly and completely reversed the anticoagulant action of tinzaparin, as measured by aPTT. Each subject's minimum aPTT readings after being dosed with PMX-60056 were at or near the subject's aPTT readings prior to being dosed with tinzaparin.
>
> ***In August 2010, we completed a dose-ranging Phase 1B/2 clinical study where PMX-60056 met the study endpoints regarding safety and efficacy in both the reversal of varying heparin levels, and allowing re-anticoagulation and re-reversal.*** Twelve healthy subjects received either 200 U/kg or 350 U/kg of heparin, followed 20 minutes later by an initial ten-minute infusion of PMX-60056. Subjects then received additional infusions of PMX-60056 until the remaining heparin was fully reversed. Following the first reversal of heparin, a second dose of 100 U/kg of heparin was administered to achieve re-anticoagulation, which was then also reversed with PMX-60056. ***PMX-60056 was generally well tolerated with no serious adverse events reported during the study.***

37. As they had done before, along with signing the Form 10-K for fiscal year 2011, defendants Landekic and Smith signed required certifications pursuant to SOX that falsely attested to the purported accuracy and completeness of their disclosures and the effectiveness of the Company's internal controls. The certification stated in pertinent part, as follows:

> I, Nicholas Landekic, hereby certify that:
>
> 1. I have reviewed this annual report on Form 10-K of PolyMedix, Inc.;

2. ***Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;***

3. ***Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;***

* * *

March 13, 2012 — Date

By: /s/ Nicholas Landekic
Nicholas Landekic
President & Chief Executive Officer

* * *

I, Edward Smith, hereby certify that:

1. I have reviewed this annual report on Form 10-K of PolyMedix, Inc.;

2. ***Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;***

3. ***Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;***

* * *

March 13, 2012 — Date

By: /s/ Edward F. Smith
Edward F. Smith
Vice President, Finance & Chief Financial Officer
(Principal Financial and Accounting Officer)

REASONS THE STATEMENTS WERE FALSE AND MISLEADING

38. The true facts, which were known by Defendants but concealed from the investing public during the Class Period, were that:

(a) PMX-60056 caused hypotension more often and at lower doses than was reported by Defendants;

(b) Varying the dosing of PMX-60056 would not eliminate its adverse side effects on blood pressure; and

(c) As a result of the foregoing, the development of PMX-60056, and the business prospects of PolyMedix were at significant risk.

THE TRUTH IS REVEALED

39. On May 10, 2012, PolyMedix issued a press release disclosing for the first time to investors that the Company "decided to stop enrollment in both clinical trials due to observations of reductions in blood pressure." In this same press release, PolyMedix also told investors that it "will be focused on more advanced clinical trials and exploration of broader potential uses for PMX-30063...." The press release stated:

> ***In May, 2012 we stopped enrollment in our two clinical trials for PMX-60056***; a Phase 2 clinical trial for reversing the anticoagulant activity of unfractionated heparin (UFH) in patients undergoing percutaneous coronary intervention procedures and a Phase 1B/2 clinical trial for reversing the anticoagulant activity of the low molecular weight heparin enoxaparin in healthy volunteers. While PMX-60056 showed activity in neutralizing UFH and enoxaparin as measured by activated clotting time (ACT) and factor Xa inhibition, respectively, ***we have stopped enrollment in both clinical trials due to blood pressure reductions***. We believe it may be possible to address these blood pressure reductions, which may include delivering PMX-60056 over longer infusion times, and with formulation volume modifications.
>
> We do not have any plans to conduct additional clinical studies on our own with PMX-60056, but rather plan to seek a strategic partner to further develop our cardiovascular program. Our future internal development efforts will be focused on more advanced clinical trials and exploration of broader potential uses for PMX-30063 and other defensin-mimetics.

40. When the true state of PMX-60056's clinical development and adverse side effects became public, PolyMedix's shares sank from a closing pricing of $0.59 on May 10, 2012, to a

closing price of $0.36 at the end of the day on May 11, 2012. This amounted to a single-day decline of nearly 29% on volume of over 6.7 million shares.

41. As a result of Defendants' false statements, PolyMedix's stock traded at artificially inflated levels during the Class Period. However, after the above revelations seeped into the market, the Company's shares were hammered by massive sales, sending them down over 74% from the Class Period high.

LOSS CAUSATION

42. During the Class Period, as detailed herein, the Defendants made false and misleading statements and engaged in a scheme to deceive the market. Defendants' course of conduct artificially inflated the price of PolyMedix securities and operated as a fraud or deceit on Class Period purchasers of PolyMedix securities by misrepresenting the Company's business and prospects. Later, when the Defendants' prior misrepresentations and fraudulent conduct became apparent to the market, the price of PolyMedix securities fell precipitously, as the prior artificial inflation came out of the price over time. As a result of their purchases of PolyMedix securities during the Class Period, plaintiff and other members of the Class suffered economic loss, i.e., damages, under the federal securities laws.

FRAUD-ON-THE-MARKET DOCTRINE

43. At all relevant times, the market for PolyMedix securities was an efficient market for the following reasons, among others:

(a) There has been a substantial volume in PolyMedix securities during the Class Period;

(b) PolyMedix filed periodic public reports with the SEC; and

(c) PolyMedix regularly communicated with public investors via established market communication mechanisms, including regular disseminations of press releases on the national circuits of major newswire services and other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services.

44. As a result of the foregoing, the market for PolyMedix securities promptly digested current information regarding PolyMedix from all publicly available sources and reflected such information in the prices of the securities. Under these circumstances, all purchasers of PolyMedix securities during the Class Period suffered similar injury through their purchase of PolyMedix securities at artificially inflated prices and a presumption of reliance applies.

NO SAFE HARBOR

45. The statutory safe harbor provided under the Private Securities Litigation Reform Act of 1995 for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. The statements alleged to be false and misleading herein all relate to then-existing facts and conditions. In addition, to the extent certain of the statements alleged to be false may be characterized as forward looking, they were not identified as "forward-looking statements" when made and there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the speaker had actual knowledge that the forward-looking statement was materially false or misleading, and/or the forward-looking statement was authorized or approved by an executive officer of PolyMedix who knew that the statement was false when made.

CLASS ACTION ALLEGATIONS

46. Plaintiff brings this action as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of all persons who purchased or otherwise acquired PolyMedix securities during the Class Period (the "Class"). Excluded from the Class are Defendants and their families, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest.

47. The members of the Class are so numerous that joinder of all members is impracticable. The disposition of their claims in a class action will provide substantial benefits to the parties and the Court. PolyMedix has over 106 million shares of stock outstanding, owned by hundreds, if not thousands, of persons.

48. There is a well-defined community of interest in the questions of law and fact involved in this case. Questions of law and fact common to the members of the Class which predominate over questions which may affect individual Class members include:

(a) whether the Exchange Act was violated by Defendants;

(b) whether Defendants omitted and/or misrepresented material facts;

(c) whether Defendants' statements omitted material facts necessary to make the statements, in light of the circumstances under which they were made, not misleading;

(d) whether Defendants knew or deliberately disregarded that their statements were false and misleading;

(e) whether the price of PolyMedix securities was artificially inflated; and

(f) the extent of damage sustained by Class members and the appropriate measure of damages.

49. Plaintiff's claims are typical of those of the Class because plaintiff and the Class sustained damages from Defendants' wrongful conduct.

50. Plaintiff will adequately protect the interests of the Class and has retained counsel who are experienced in class action securities litigation. Plaintiff has no interests which conflict with those of the Class.

51. A class action is superior to other available methods for the fair and efficient adjudication of this controversy.

COUNT I

Against Defendants for Violation of Section 10(b) of the Exchange Act and SEC Rule 10b-5

52. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

53. During the Class Period, Defendants disseminated or approved the false statements specified above, which they knew or deliberately disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

54. Defendants violated section 10(b) of the Exchange Act and SEC Rule 10b-5 in that they:

(a) employed devices, schemes, and artifices to defraud;

(b) made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

(c) engaged in acts, practices, and a course of business that operated as a fraud or deceit upon plaintiff and others similarly situated in connection with their purchases of PolyMedix securities during the Class Period.

55. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for PolyMedix securities. Plaintiff and the Class would not have purchased PolyMedix securities at the prices they paid, or at all, if they had been aware that the market prices had been artificially and falsely inflated by Defendants' misleading statements.

COUNT II

Against Defendants Landekic and Smith for Violation of Section 20(a) of the Exchange Act

56. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

57. Defendants Landekic and Smith acted as controlling persons of PolyMedix within the meaning of section 20(a) of the Exchange Act. By reason of their positions with the Company, Landekic and Smith had the power and authority to cause PolyMedix to engage in the wrongful conduct complained of herein. Landekic and Smith controlled PolyMedix and all of its employees.

By reason of such conduct, Landekic and Smith are liable pursuant to section 20(a) of the Exchange Act.

58. As a direct and proximate result of defendants Landekic and Smith's wrongful conduct, plaintiff and members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

PRAYER FOR RELIEF

WHEREFORE, plaintiff prays for judgment as follows:

A. Declaring this action to be a proper class action pursuant to Rule 23 of the Federal Rules of Civil Procedure and certifying plaintiff as a representative of the Class;

B. Awarding plaintiff and the members of the Class damages, including interest;

C. Awarding plaintiff reasonable costs, expert fees, and attorneys' fees; and

D. Awarding such equitable/injunctive or other relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Date: July 2, 2012