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Lycera Closes \$36 Million Series A Financing

ANN ARBOR, Mich., April 16, 2009 – Lycera Corp. today announced it has closed a \$36 million Series A financing.

The company, which is developing novel small-molecule pharmaceuticals to treat autoimmune diseases such as rheumatoid arthritis and inflammatory bowel disease, has received \$10 million as a first tranche of the financing and will receive the remainder of the proceeds in two tranches as specific milestones are met. InterWest Partners, ARCH Venture Partners and Clarus Ventures co-led the financing. EDF Ventures, which led a seed financing in November 2006, is also participating.

In conjunction with the closing, Jeffrey Leiden, M.D., Ph.D., a managing director with Clarus; Kristina Burow, a partner with ARCH; and Nina Kjellson, a general partner with InterWest, have joined Lycera's board of directors. These additions have increased board membership to six. Steven Gillis, Ph.D., a managing director with ARCH, and Mary Campbell, a managing director at EDF Ventures, will serve as board observers.

Lycera also announced that it has expanded its development initiatives for small-molecule immunomodulators through the addition of a program targeting the Th17 pathway discovered by Dan Littman, M.D., Ph.D. Dr. Littman, the Helen L. and Martin S. Kimmel professor of molecular immunology and professor of pathology and microbiology at the Skirball Institute of Biomolecular Medicine of New York University School of Medicine, an investigator of the Howard Hughes Medical Institute, and a

member of the National Academy of Sciences, will serve as chairman of the company's scientific advisory board.

"This financing round is an important validation of the Lycera technology platforms," said Dr. Gary Glick, Lycera's founder and chief scientific officer. "The company is fortunate to be working with a distinguished, talented and experienced group of investors. Their expertise in the discovery and development of drugs to combat immune diseases and their track record at building world-class companies will be invaluable to Lycera. I am also delighted to have the opportunity to work closely with Dan Littman. Dan is a renowned immunologist and a significant addition to the Lycera team."

Dr. Littman said, "The discovery of the Th17 pathway is an important breakthrough in the field of inflammation and immunology that has opened the door to the development of novel classes of small-molecule therapeutics for patients with autoimmune diseases. Bringing this program into Lycera generates an unparalleled opportunity for finding small molecules that selectively target this pathway."

Clarus's Dr. Leiden added, "Lycera combines two of the most exciting, new small-molecule approaches for treating autoimmune diseases. The company will leverage the complementary expertise and discoveries of Dr. Glick in medicinal chemistry with those of Dr. Littman in immunology and the Th17 pathway. The Series A financing will enable Lycera to advance its first drug candidate through Phase II proof-of-concept studies and a second candidate into Phase I clinical trials."

About InterWest Partners

InterWest Partners, founded in 1979, is a leading diversified venture capital firm focused on building long-term relationships with entrepreneurs and portfolio companies.

Currently investing its tenth fund, InterWest X, a \$650 million fund, InterWest has raised more than \$2.8 billion of capital since inception. InterWest has a total of 14 partners and general partners in Menlo Park, CA, and Dallas, TX, who bring together deep domain

knowledge in life sciences and information technology. Visit www.interwest.com for more information.

About ARCH Venture Partners

ARCH Venture Partners is a premier provider of seed and early stage capital for technology firms, with a special competence in co-founding and building technology firms from startup. ARCH invests primarily in companies co-founded with leading scientists and entrepreneurs, concentrating in innovations in life sciences, physical sciences, and information technology. ARCH enjoys special recognition as a leader in the successful commercialization of technologies developed at academic research institutions and national laboratories. The company manages seven funds totaling over \$1.5 billion and has invested in the earliest venture capital rounds for more than 120 companies over 22 years. Visit www.archventure.com for more information.

About Clarus Ventures

Clarus Ventures is a life sciences venture capital firm that augments its core expertise in investing in biopharmaceuticals and medical technology companies with the deep and diverse expertise of the team in research and development, commercialization, business development and operations management at the global level. Clarus has \$1.2 billion of assets under management across two life sciences dedicated funds. The firm is headquartered in Cambridge, Mass., and has an office in South San Francisco, Calif. Visit www.clarusventures.com for more information.

About EDF Ventures

EDF Ventures provides capital and leadership assistance to entrepreneurs with proprietary technology and a passion for building a company to uniquely meet the needs of a sector of the healthcare market. Located in Michigan, EDF invests throughout the country and is proud of its ability to attract as syndicate members several of the nation's leading healthcare venture investors. The EDF portfolio includes companies developing medical devices, clinical diagnostics and pharmaceuticals. Several of the EDF companies have their roots in universities. EDF manages three

funds with approximately \$175 million under management. Visit www.edfvc.com for more information.

About Lycera

Lycera Corp. is focused on the discovery and development of small-molecule immunomodulators for the treatment of immunologic diseases, including psoriasis, rheumatoid arthritis, lupus erythematosus, inflammatory bowel disease and transplant rejection. Originally founded by Dr. Gary Glick as a spin-out of the University of Michigan, Lycera is developing drug candidates that target two novel therapeutic pathways and have the potential for first-in-class oral efficacy without the adverse effects of current standard-of-care antiproliferative and immunosuppressive agents. Visit www.lycera.com for more information.

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