



PRESS RELEASE

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FOR IMMEDIATE RELEASE

Heptares secures £21 million in Series A fund raising to accelerate development of pipeline of small molecules against high-value GPCR drug targets

Syndicate comprises leading sector investors Clarus Ventures, MVM Life Science Partners and Novartis Option Fund

London, UK. Heptares Therapeutics Ltd, the drug discovery company focused on drugs targeting G-protein-coupled receptors (GPCRs), announces today it has raised £21 million (US\$30 million) of equity finance in a successful Series A private round from three blue-chip international venture capital firms. Clarus Ventures led the syndicate, which includes the founding investor, MVM Life Science Partners, and the Novartis Option Fund. All three investors contributed equally.

Michael Steinmetz for Clarus Ventures and Anja Koenig for the Novartis Option Fund have joined the Heptares Board of Directors as non-executive directors.

Over the next three years, Heptares intends to use the new funds to develop its own pipeline of small-molecule drug candidates using its proprietary StaR™ technology platform. These novel drug candidates will be developed against currently intractable GPCRs that are highly validated targets for the treatment of disease. Further progress in the application of StaR technology over this period is also expected to yield commercial partnering opportunities outside Heptares' core focus, for example, improved therapeutic antibodies against GPCRs.

GPCRs play a crucial role in many diseases and are the site of action of 25-30% of current drugs; as such they represent a major area of interest for pharmaceutical companies. However, these membrane proteins are notoriously difficult to isolate from cells in an intact and active form and this has severely restricted efforts to study GPCRs using modern drug discovery techniques.

Heptares' StaR (Stabilised Receptor) technology platform enables the Company to overcome this technology hurdle by engineering and purifying GPCRs in stable and functional conformations that retain their drug-binding characteristics. The Company can then apply contemporary drug discovery approaches, such as crystallisation and structure-based design, biophysical analysis of ligand interactions, and fragment screening to stabilised GPCRs. This

unique approach is expected to radically improve the chances of finding drugs to previously intractable targets and enable the development of safer and more selective therapeutic agents.

Heptares was founded in 2007 as a spin-out from the prestigious MRC Laboratory of Molecular Biology (Cambridge, UK) based on world-class pioneering research and expertise in GPCRs. In 2008, the StaR technology was used successfully to elucidate the three-dimensional atomic resolution structure of the beta-1 adrenergic receptor, which is the site of action of beta blockers.

Heptares' CEO, Dr Malcolm Weir, said: "We are very pleased to have completed this significant fundraising in the current economic environment. We are delighted to have attracted such a truly international group of blue-chip investors and see this as a real endorsement of the quality and commercial potential of our StaR technology. We now have a very good opportunity to implement our strategy for generating new drug candidates to highly validated but previously challenging GPCRs."

Dr Michael Steinmetz, Managing Partner at Clarus Ventures, said: "Heptares has made impressive progress in developing its unique StaR technology since its inception in 2007. Its platform has the potential to make important GPCR drug targets accessible to drug discovery techniques previously not applicable to this class of proteins. The commercial opportunity arising from developing new first/best-in-class drugs to GPCRs is clear, particularly with pharmaceutical company pipelines under pressure. We are pleased and excited to participate in this funding round with MVM and Novartis Option Fund, and are committed to supporting the experienced management team in fulfilling the potential of Heptares' innovative approach."

Dr David Tapolczay, CEO of Medical Research Council Technology, said: "Heptares is a prime example of the importance of MRC's long-term support for basic biomedical research and the potential for discoveries to translate into a commercial enterprise that is dedicated to producing better medicines. The fact that Heptares has attracted such a strong investor syndicate and funding round so early in its development also shows how quickly this translation of basic research into significant health benefits can be made to occur."

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Notes to Editors

About Heptares Therapeutics Ltd

Heptares is a drug discovery company focused on the discovery of novel small-molecule drugs targeting G-protein-coupled receptors (GPCRs). The Company is deploying its proprietary StaR™ technology principally against highly validated but currently difficult or intractable GPCR targets in several disease areas.

GPCRs are the single most important family of drug targets in the human body, but because of their inherent instability they are refractory to structural studies and *in vitro* screening. StaR technology enables the engineering of stabilised GPCRs, making them amenable to these vital drug discovery approaches. There are many clinically relevant GPCR targets across a wide range of therapeutic areas where discovery is advancing slowly and for which structural information, novel screening approaches and potential antibody therapeutics would greatly enhance progress.

Heptares was founded in 2007 and its StaR technology arose out of the pioneering work of Heptares' founding scientists, Richard Henderson and Chris Tate at the MRC Laboratory of Molecular Biology (Cambridge, UK) and of a wider group of MRC scientists, including Gebhard Schertler, and Ed Hulme of the National Institute for Medical Research, London. Malcolm Weir (CEO) and Fiona Marshall (CSO) are its founding management.

For more information, see www.heptares.com

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About Clarus Ventures

Clarus Ventures is a life sciences venture capital firm founded by a team of accomplished investment professionals with extensive and complementary industry backgrounds, which have enabled them to establish a long history of success in creating value. Their deep relationships with world thought leaders and decision makers allow this team to identify unique investment opportunities and shepherd them to maturity. Clarus augments its core expertise of 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 is based in Cambridge, MA and San Francisco, CA and presently manages over US\$1.2 billion across two lifesciences dedicated funds.

For additional information on Clarus Ventures, please visit www.clarusventures.com

About MVM Life Science Partners LLP

MVM Life Science Partners LLP, founded in 1997, is one of the UK's leading Venture Capital firms and manages three funds totalling over US\$500 million. MVM invests across the Life Sciences market including biopharmaceuticals, diagnostics, drug delivery, gene therapy, medical devices, OTC medicines, research tools and vaccines. MVM invests predominantly in start up and early stage companies based across Europe and in the US. The MVM team has broad experience across the Life Science and Venture Capital markets and maintains offices in London and Boston.

For more information: www.mvmlifescience.com

About Novartis Option Fund

The Novartis Option Fund is part of the Novartis Venture Funds. Established in 1996, the Novartis Venture Funds currently manage over US\$650 million in committed capital and are invested globally in more than 50 private life sciences companies across therapeutics, vaccines, devices and diagnostics. As a financially driven corporate life science investor, the Novartis Venture Fund invests in those companies which have the potential to lead the next innovation wave in new areas that will be critical to patient care. The Novartis Venture Funds team of eight investment professionals located in Basel, Switzerland and Cambridge, Massachusetts, brings together extensive expertise in the biotech and pharmaceutical industry and venture capital.

For more information: www.venturefund.novartis.com