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EDF Ventures Portfolio Company Lycera closes on \$36 Million Financing

ANN ARBOR, Mich.--- Lycera Corp., an EDF Ventures-backed pharmaceutical company, has closed on \$36 million of venture capital financing.

The company, which focuses on developing small molecule drugs for treating autoimmune diseases such as rheumatoid arthritis and lupus, has received the first \$10 million and will receive the remainder in two installments as specific milestones are met.

EDF Ventures, which provided seed financing and guidance that enabled Lycera's spin-off from the University of Michigan, is joined by InterWest Partners, Clarus Ventures and ARCH Venture Partners.

"Lycera's small-molecule platform for treating autoimmune diseases shows extraordinary promise, and EDF Ventures looks forward to continuing our partnership with Lycera," said Mary Campbell, Managing Director of EDF Ventures. "This financing will enable Lycera to advance its drug candidates into the clinic and, more importantly, down the path toward effective treatment of patients. It also shows the benefits of the continuing relationship between the University of Michigan and the investment community."

Lycera's research and development facilities are housed in a former Pfizer facility in Plymouth now known as the Michigan Life Science Innovation Center, and several former Pfizer scientists are employed by the company.

Lycera Corp. was founded in Ann Arbor by Gary D. Glick, the Werner E. Bachman Professor of Chemistry. The company is based on Glick's research at U-M on immune system-modulating drug candidates with promise for treating diseases including rheumatoid arthritis, lupus erythematosus, psoriasis, inflammatory bowel disease and graft versus host disease. These compounds target a novel therapeutic pathway and, in a range of animal models, demonstrate efficacy without the unwanted side effects associated with current treatments for those diseases.

Lycera also is adding a program aimed at developing small-molecule immunomodulators that target the TH17 pathway, which plays a critical role in a number of chronic inflammatory diseases including inflammatory bowel disease. This program is based on discoveries made by Dan Littman of New York University School of Medicine and the Howard Hughes Medical Institute. Going forward, Littman will chair the Lycera Scientific Advisory Board.

Glick said, "This financing is a very important validation of the Lycera technology platforms. The company is fortunate to be working with such a 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 Lycera is fortunate to have him on the team."

In conjunction with the closing, Leiden, along with Kristina Burrow, 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, a managing director with ARCH and Mary Campbell, a managing director at EDF Ventures, will serve as board observers.

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.