



NEWS RELEASE

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Lycera Achieves \$11 Million Second Tranche in Series A Financing

Significant Progress Made in Advancing Company's Small Molecules for the Treatment of Autoimmune Diseases; Appoints Chairman of the Board and Welcomes New Vice President in Preparation for Clinic

Ann Arbor, Mich., and Cambridge, Mass. – April 28, 2010 – Lycera Corporation, a biopharmaceutical company pioneering an innovative approach to developing novel oral medicines to treat autoimmune diseases, today announced that the company has made important progress, triggering a second tranche of \$11 million in its Series A financing. Proceeds from the second tranche will be used to continue to advance Lycera's discovery and development efforts and further support the growth of the company. Lycera also announced the appointment of Jeffrey Leiden, M.D., Ph.D., managing director at Clarus Venture Partners, as chairman of the board of directors, as well as the addition of Robin S. Goldstein, Ph.D., as vice president, preclinical development and program management.

"Triggering the second tranche is a testament to the progress Lycera has made in key areas with a focus on advancing the company's cellular bioenergetics and Th17 (ROR-gamma) programs. The company is on track to be in the clinic next year with its first small molecule oral therapy for autoimmune disease," said Dr. Leiden. "We are extremely pleased with the progress the team has made over the last year, and we are looking forward to advancing our lead compound into the clinic."

Lycera is an emerging leader in the immunology/inflammation field and has identified two novel autoimmune pathways to develop new classes of selective small molecule immunomodulators for the treatment of diseases such as rheumatoid arthritis, psoriasis and inflammatory bowel disease. Lycera's ATPase program, based on its leading-edge technology platform, is focused on the emerging area of cellular bioenergetics to selectively target and deplete pathologically activated lymphocytes without global immunosuppression, thereby keeping the healthy immune cells intact. In addition, the company has a lead program that targets Th17 cells, key mediators of inflammation, through the inhibition of ROR-gamma, a member of the highly druggable nuclear

receptor super-family. Drugs that emerge from Lycera's pipeline will potentially offer patients first-in-class oral efficacy, avoiding the burdensome injections of today's biologic therapies.

As a result of the company's progress towards the clinic, Dr. Goldstein joins Lycera as the vice president, preclinical development and program management. She brings to Lycera 25 years of preclinical and clinical development experience across pharmaceutical and biotechnology R&D organizations.

"I am excited to join Lycera in this new role as the company furthers its development programs and enters its next phase of growth," said Dr. Goldstein. "I look forward to working with Lycera's world-class scientific advisory board and research and management teams."

Prior to joining Lycera, Dr. Goldstein was vice president, preclinical development and project management at ArQule. Prior to ArQule, Dr. Goldstein spent 14 years at Novartis, where she held positions of increasing responsibility focused on global project management, toxicology and drug safety supporting a variety of projects from late phase Research through worldwide development and registration. Dr. Goldstein received her Ph.D. from Michigan State University.

"Lycera's innovative technology platforms and novel approach to developing selective oral immunomodulators position the company to have significant impact on high unmet need autoimmune diseases. We are grateful for the continued support from our investors and truly value their ongoing leadership and expertise as we continue to advance our strategy," said Bill Sibold, president and chief executive officer at Lycera. "I am delighted to welcome Robin to our outstanding team and believe her deep development experience will prove a valuable addition to Lycera as we rapidly approach the clinic."

Dr. Gary D. Glick, Lycera's founder and chief scientific officer, added, "Lycera's tremendous progress is the direct result of the company's unparalleled scientific team and biological insights in the immunology and inflammation arenas, which are the foundation of the company."

About Lycera

Lycera Corp. is focused on the discovery and development of selective, small-molecule immunomodulators for the treatment of patients with autoimmune diseases such as rheumatoid arthritis, psoriasis, and inflammatory bowel disease. 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. Lycera's leading-edge technology platform and ATPase program are focused on the emerging area of cellular bioenergetics to selectively target and deplete pathologically activated cells. The company also has a lead program targeting the Th17 pathway through the inhibition of ROR-gamma. Lycera's leadership team and advisors represent the core thought leaders in immunology, inflammation, organ transplantation and kinase biology and are responsible for key advances and discoveries in these fields. Founded in 2006, Lycera is headquartered in Cambridge, Mass. and has a state-of-the-art research center in Ann Arbor, Mich. Visit www.lycera.com for more information.

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