



TransMolecular, Inc. A Neuroscience Biotechnology Company

For Immediate Release

TransMolecular, Inc. Receives Two Phase I SBIR Grants

Birmingham, Alabama – September 13, 2000 – TransMolecular, Inc., a neuroscience biotechnology company developing products to treat central nervous system disorders, announced today that it was awarded two Phase I Small Business Innovation Research ("SBIR") Grants.

The first grant, in the amount of \$128,351, is for the development of a novel sodium ion channel as a target for pain drug discovery. Pain is an important target for novel drug development. 86 million Americans suffer from some form of chronic pain. Medical economists estimate that pain disorders cost the U.S. economy \$100 billion annually in lost productivity and medical care.

The second grant, in the amount of \$131,702, is for the study of peptide and recombinant toxin therapies based on the peptide chlorotoxin, a component of scorpion venom, for glioma, a deadly cancer of the brain. These chlorotoxin-based therapeutics specifically target chloride ion channels found on gliomas and highly invasive peripheral neuroectodermal tumors such as melanoma, small cell lung carcinoma, and neuroblastoma.

"The Company is very excited about these two awards" said Dr. Gonda, President and Chief Executive Officer, "as it will permit us to further develop our technology platforms in ion channels for the discovery of new treatments for two debilitating diseases".

About TransMolecular

Founded in July 1996 by Dr. Stephen G. Waxman of Yale University and Dr. Harald W. Sontheimer of the University of Alabama at Birmingham Medical Center, TransMolecular is developing therapies and diagnoses for diseases of the central nervous system and related tissues. Matthew A. Gonda, Ph.D. joined the company in January of 1999 as its President, Chief Executive Officer, and also serves on the board of directors. Dr. Gonda has over 28 years of experience in the biotechnology and life science industries where he held senior management and executive positions. The company has targeted three diseases applicable to its technology platforms – cancer, edema, and neuropathic pain. It has a number of products for treating primary brain tumors in various stages of research and development, and expects to be in clinical trials next year. TransMolecular's technology platforms are

based on ion channels that have been mined from and are selectively expressed in the central nervous system and related tissues; the company has exclusively licensed this technology from Yale University and the University of Alabama at Birmingham.

TransMolecular's molecular targeting approach for cancer is unique in that it identifies pathways or targets on tumor cells and destroys them without harming the normal cells. The company is using chlorotoxin, a component of the venom obtained from the giant yellow Israeli scorpion, *Lerius quinquestriatus*, as a drug delivery vehicle that binds specifically to ion channels found on primary brain tumors or gliomas, but not normal tissues. Various therapeutic entities can be attached to the 36-amino acid chlorotoxin peptide, including radioisotopes used in radiotherapy, cytotoxic chemicals, and cytolytic molecules.

With its focus on brain cancer, the company is targeting a disease for which there is an unmet medical need. TransMolecular's products are likely to receive Orphan Drug status as only 20,000-24,000 patients are diagnosed with glioma each year. The company will apply for Fast Track development for its therapies for glioma with the FDA.

TransMolecular received its first round of financing in September 1997 from Tullis-Dickerson & Co., Inc., a prominent health care venture capital firm based in Greenwich Connecticut. Tullis-Dickerson also participated in a recent Series B financing totaling \$9 million. Additional participants in the second round were TVM Techno Venture Management GmbH of Munich, Germany; President Life Sciences Co., Ltd., Taipei, Taiwan; Pacific Horizon Partners III, Seattle, Washington; and Portrush Group and Suttle Brothers Investments, both of Gadsden, Alabama.

The company's board of directors consists of Gert Caspritz (TVM), Lyle Hohnke (Tullis-Dickerson), Matthew Gonda (CEO), Stephen Waxman (Yale University), and Thomas Barton (Manatt, Phelps & Phillips).

TransMolecular's corporate offices and R&D laboratories are located in Birmingham, Alabama. For more information, contact the company at (205) 870-3555.