



TransMolecular, Inc. A Neuroscience Biotechnology Company

For Immediate Release

TransMolecular, Inc. Completes \$9 Million Series B Round

Birmingham, AL – (BUSINESS WIRE) – September 14, 2000 – TransMolecular, Inc., a neuroscience biotechnology company developing products to treat central nervous system disorders, has completed a \$9 million round of financing. The Series B round was led by TVM Techno Venture Management GmbH of Munich, Germany. Connecticut-based Tullis-Dickerson & Co., Inc., a prominent health care venture capital firm and existing investor, added to its holdings in the round. Additional participants were President Life Sciences Co., Ltd., Taipei, Taiwan; Pacific Horizon Partners III, Seattle, Washington; and Portrush Group and Suttle Brothers Investment, both of Gadsden, Alabama.

Gert Caspritz of TVM joins the Board of Directors, which also includes Lyle Hohnke (Tullis-Dickerson), Matthew Gonda (CEO), Stephen Waxman (Yale University), and Thomas Barton (Manatt, Phelps & Phillips).

"There was tremendous interest in the company which far exceeded our financing goals. It was great to see so much enthusiasm in our company," says Matthew A. Gonda, Ph.D., TransMolecular's President and Chief Executive Officer. The company will use the funds to advance its programs in cancer and neuropathic pain, as well as drug manufacturing and pre-clinical and clinical development of its lead compounds for primary brain cancers.

"TransMolecular's technology in the area of brain cancer therapies is very novel, and it's targeted to a disease for which there is no effective therapy," says Lyle Hohnke of Tullis-Dickerson. "The company's work toward pain treatment is equally promising. Neuropathic pain is a huge market with plenty of room for additional therapies," adds Hohnke.

TransMolecular received its first round of financing from Tullis-Dickerson's TD Javelin Capital Fund in 1997.

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.

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