



PRESS RELEASE

f-star raises €8m in an Extended Series A Financing co-led by MP Healthcare Venture Management and Merck Serono Ventures

Vienna, Austria, (January 6, 2010). f-star Biotechnologische Forschungs-und Entwicklungsges.m.b.H has announced the closing of an EUR 8 M Extended Series A financing. The investment round was co-led by MP Healthcare Venture Management (MPH) and Merck Serono Ventures. f-star's existing investors comprising Atlas Venture, Aescap Venture, Novo Ventures and TVM Capital also participated in this round.

The new financing will support drug discovery and development efforts using f-star's proprietary Modular Antibody Technology. The technology allows the engineering of new antigen binding sites into constant and variable domains of antibodies and has already led to the development of two promising molecular formats, FcabTM and mAb². Fcabs allow novel therapeutic candidates to be isolated which, despite being one third the size of immunoglobulin G (IgG), retain all normal antibody functionalities (antigen binding, immune effector functions and long *in vivo* half life), while mAb² technology provides the opportunity to add additional functionality, specificity, selectivity or potency to existing antibodies.

Dr Kevin FitzGerald, CEO of f-star, commented "We have completed this significant investment round despite the current financial climate and I am pleased to welcome MPH and Merck Serono Ventures as new shareholders of f-star. Both MPH and Merck Serono Ventures are investors with a strong strategic focus and the connections they have with their parent pharmaceutical organisations will provide valued support for f-star as it moves product candidates into the clinic. I am also grateful to our existing investors, Atlas, Aescap, Novo and TVM Capital for their continued support and encouragement. This investment, coupled with a rapidly maturing technology and highly committed management and staff, provides a solid platform on which f-star can create novel medicines and grow significant value".

Dr Jeff Moore, Vice President MPH commented: "After an extensive evaluation of next generation antibody companies, f-star stood out with its simple yet powerful technology which has the potential advantages of smaller protein scaffolds while retaining the significant benefits of traditional antibodies".

Roel Bulthuis, Head of Merck Serono Ventures added: "We are excited to join the f-star team and look forward to further supporting the development of f-star's suite of technologies. f-star's platform represents a unique opportunity to generate drug formats that could allow us to leverage our understanding of target biology in our core therapeutic areas".

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About f-star:

f-star is an antibody engineering company based in Vienna, Austria and Cambridge, UK. The company develops improved therapeutic antibodies and antibody fragments based on its Modular Antibody Technology, which allows the introduction of additional binding sites into antibodies and antibody fragments by engineering the non-CDR loops of constant or variable domains. Using Modular Antibody Technology f-star generates antibody fragments with full antibody functionality and long half-life but with much smaller size (Fcab™) and full antibodies with additional functionality or bispecificity (mAb²). Since its founding in 2006 the company has raised EUR 19.0m and has 20 employees at its research sites in Vienna and Cambridge. For more information visit www.f-star.com.

About MPH:

MP Healthcare Venture Management, Inc. (MPH) is a life sciences venture capital firm, investing in innovative companies developing novel therapeutics, platform technologies, vaccines and diagnostics. MPH invests in seed to late stage private companies, and investment is not limited by geographic region. MPH is a jointly owned subsidiary of Mitsubishi Tanabe Pharma Corporation (MTPC) and Mitsubishi Chemical Holdings Corporation (MCHC). For more information visit <http://www.mp-healthcare.com>.

About Merck Serono Ventures:

Merck Serono Ventures is the strategic, corporate venture capital fund of Merck Serono, a division of Merck KGaA, Darmstadt, Germany. The fund invests in biotech start-up companies that have the potential to provide novel products in Merck Serono's core therapeutic areas comprising Neurodegenerative Diseases, Oncology, Autoimmune & Inflammatory Diseases, Endocrinology and Fertility. In addition, Merck Serono Ventures invests in companies developing innovative platform technologies that could enable the discovery and development of new products in Merck Serono's core therapeutic areas. For more information visit www.merckserono.com.

About Atlas Venture:

Atlas Venture is a leading early-stage international venture capital firm that invests in technology and life sciences businesses in the U.S., Europe and Asia. Since inception in 1980, its partners have helped build over 300 companies in more than 16 different countries. In the past decade, 44 portfolio companies have been acquired and 47 are now public companies with an aggregate market capitalization of over \$15 billion. Atlas Venture manages over \$2.5 billion in capital through offices in Boston and London. For more information, visit www.atlasventure.com.

About Aescap Venture:

Aescap Venture is a venture capital firm focusing on the creation and growth of European biomedical companies. Through early and active involvement in the companies, Aescap Venture will achieve an accelerated development of its portfolio companies and their products. Since its final close in July 2007, Aescap Venture has EUR 103m under management. The founders of Aescap are Michiel de Haan, the founder and CEO of Atlas Venture until 2000 and Dinko Valerio PhD, the founder and former CEO of Crucell, a Euronext/ NASDAQ-listed biotechnology company. Additional Partners are Patrick Krol MBA, a successful entrepreneur and expert in Life Science marketing and business development and Kreske Nickelsen MSc/MBA, previously a Director at 3i, with 12 years of experience in European Life Science venture capital. For more information, visit www.aescap.com

About Novo Ventures:

Novo A/S is the holding company of the Novo Group, and is wholly owned by the Novo Nordisk Foundation. Novo A/S was established in 1999 to manage the assets of the Foundation and actively make investments on behalf of the Foundation. Novo A/S is not a corporate strategic fund; Novo A/S invests

for financial rather than strategic returns. Novo A/S is active in both Europe and North America. The Novo A/S venture investments are managed by a team of four Partners in Copenhagen, one in London and three in San Francisco. With an evergreen structure, Novo A/S annually invests approximately EUR 200 million through Novo Ventures, Novo Seeds, and Novo Growth Equity. In total Novo A/S has more than EUR 7 billion under management, which includes significant shareholdings in the independently operating and publicly listed companies Novo Nordisk A/S and Novozymes A/S. For more information, visit www.novo.dk

About TVM Capital:

The TVM Capital Life Science Practice is, with EUR 900m (USD1.3bn) under management, one of the largest investors in venture and growth deals in biotechnology and pharmaceuticals in Europe, with a strong presence in the U.S. and a growing presence in Asia. The Life Science team builds on the expertise, experience, international approach and demonstrated success in more than 100 previous investments and more than 30 IPOs from its biotechnology and pharmaceutical portfolio of companies. For more information, visit www.tvm-capital.com