



Convergence Pharmaceuticals Ltd
("Convergence" or "the Company")

**Convergence Pharmaceuticals Successfully Launched out of GSK to Focus on
Novel High Value Analgesics**

*~ \$35.4 Million Series A Financing from Apposite Capital, New Leaf Venture Partners and
SV Life Sciences to fund Phase I and Phase II Clinical Trials ~*

Cambridge, UK, 4 October 2010. Convergence Pharmaceuticals Ltd, a new company focused on the development of novel and high value analgesic medicines, was officially launched today and has successfully raised \$35.4 million (£22.4 million) in Series A financing from a syndicate of leading European and US life science investors. Convergence Pharmaceuticals is an independent biotechnology company that has acquired clinical assets from GlaxoSmithKline ("GSK"). The Company will be led by Dr Clive Dix together with a strong management team including former GSK scientific experts in the field of pain. Proceeds of the financing will be used to accelerate the clinical development of the Company's pipeline programmes.

Convergence Pharmaceuticals has Phase I and Phase II clinical programmes in development and a pipeline of six earlier stage compounds. Drugs within the pipeline target the major points of convergence in chronic pain signaling through modulation of specific ion-channels. Convergence Pharmaceuticals, which has a well validated approach to pain therapy, will immediately initiate Phase II proof of concept studies in neuropathic pain with the Company's lead drug, a voltage-gated sodium channel blocker (CNV1014802), and a Phase I study of its first-in-class voltage-gated calcium channel blocker (CNV2197944) for the treatment of neuropathic and inflammatory pain including osteoarthritis. Both of these compounds have demonstrated efficacy, safety and tolerability profiles to date and have functional properties that differentiate them from currently available chronic pain treatments.

Convergence Pharmaceuticals aims to develop its pipeline to address the severe unmet medical need in chronic pain, a significant economic burden where more than 270 million people worldwide suffer¹. The chronic pain market is currently valued at \$30 billion and is forecast to reach more than \$47 billion by 2023 (with an expected 22% of the market being provided by novel pain therapies²). Currently available treatments, including opioids and non-steroidal anti-inflammatory medicines, are often associated with negative side-effect profiles and limited efficacy and therefore do not offer a long-term solution. This highlights the importance of Convergence Pharmaceuticals' goals to develop novel, efficacious analgesics with improved pharmacology and safety profiles.

Dr Clive Dix is Chief Executive Officer of Convergence Pharmaceuticals. Dr Dix has managed successful exits from Auralis and PowderMed Ltd, the latter of which he co-founded in 2004 and sold to Pfizer Inc for more than \$300M in 2006. Clive was previously Head of R&D at PowderJect Pharmaceuticals plc and prior to that was UK Research Director for Glaxo Wellcome. Dr Dix was most recently Chairman of the UK's BioIndustry Association. The Company's R&D will be led by Simon Tate, previously VP, Pain and

Epilepsy Discovery Performance Unit within GSK's Neurosciences Centre of Excellence for Drug Discovery and now Chief Scientific Officer of Convergence Pharmaceuticals. Simon brings significant scientific experience in the field of pain and ion channels to Convergence Pharmaceuticals. Convergence Pharmaceuticals has also attracted Brenda Reynolds as Chief Operating Officer. Brenda, who was a founder and the Chief Operating Officer of PowderMed Ltd, has extensive experience from the healthcare sector.

As part of the transaction with GSK, the clinical-stage assets and associated IP have been successfully transferred from GSK to Convergence Pharmaceuticals. The Company and its team of expert scientists will be based at the Babraham Research Campus in Cambridge, UK.

Convergence Pharmaceuticals' new shareholders include Apposite Capital, New Leaf Venture Partners and SV Life Sciences and the new Board Directors include Chris Hollowood, Liam Ratcliffe and Kate Bingham respectively. GSK has a minority equity stake.

Commenting on the launch of the Company today and the successful fundraising, Dr Clive Dix, Chief Executive Officer of Convergence Pharmaceuticals, said: "We are delighted to have worked closely with GSK to successfully transfer these clinical assets to Convergence Pharmaceuticals. The lead compounds offer critical advantages for the development and commercialisation of novel analgesics to address the need for innovative treatments in the high value chronic pain market. Our team of experts bring a strong knowledge of the science and pipeline and will focus on advancing these drugs through clinical development. We look forward to exploring commercial opportunities for these compounds at the relevant time. Given market conditions, we are pleased to have raised such a significant amount of funding, one of the largest European biotechnology Series A funding rounds in recent years, and feel this is a strong endorsement of the quality of the Company, its products, science and the staff within it."

References

¹ www.afferentpharma.com

² Decision Resources: "Novel approaches to pain therapy". August 2008-9

For more information about Convergence Pharmaceuticals, please contact:

Convergence Pharmaceuticals
Dr Clive Dix, Chief Executive Officer

Today: Tel +44 (0)20 7920 2330
Thereafter: Tel +44 (0)1223 755501

M:Communications
Mary-Jane Elliott / Emma Thompson

Tel +44 (0)20 7920 2345
E-mail: Convergence@mcomgroup.com

About Convergence Pharmaceuticals

Convergence Pharmaceuticals is an independent biotechnology company focused on the development of novel analgesics with potentially commercially attractive efficacy, responder-rate and side effect profiles. The Company was formed in October 2010 following the acquisition of certain neuroscience clinical assets from GlaxoSmithKline ("GSK"). Convergence Pharmaceuticals has a pipeline of differentiated clinical-stage compounds targeting the points of convergence in chronic pain signaling through modulation of specific ion-channels. Convergence Pharmaceuticals is well funded and

raised \$35.4 million in Series A financing from a syndicate of leading European and US VCs.

The Company's Executive team is lead by Clive Dix, Chief Executive Officer (ex PowderMed, PowderJect, Glaxo Wellcome); Simon Tate, Chief Scientific Officer (ex GSK); Brenda Reynolds, Chief Operating Officer (ex PowderMed, PowderJect, Pfizer); Kevin Gunn, Medical Director (ex GSK); Joanne Palmer, Head of Clinical Operations (ex GSK); Ged Giblin, Head of Chemistry and Pre-Clinical Development (ex GSK) and John Davis, Head of Biology (ex GSK). The team collectively has extensive experience in leading successful biotech ventures and in drug development.

For more information about Convergence Pharmaceuticals, please visit www.convergencepharma.com.

About the chronic pain market

The unmet medical need for new analgesic medicines is significant and growing internationally. The economic burden of chronic pain in the US alone is more than \$100bn and by 2023 the overall pain market in the seven major pharmaceutical markets is predicted to reach more than \$47 billion. In the same seven pharmaceutical markets, 160 million people are estimated to suffer from osteoarthritis, 36 million people are estimated to suffer from chronic low back pain and sciatica and over 10 million people are estimated to suffer from neuropathic pain. *Source: Decision Resources: "Novel approaches to pain therapy". August 2008-9.*

About Apposite Capital

Apposite Capital is an independent investment firm focused exclusively on Healthcare. The firm invests in private companies involved in Healthcare Services and Life Sciences on a primary basis, as well as acquiring and managing direct Healthcare assets in the secondary market. Apposite has an in-depth sector knowledge covering all aspects of the healthcare industry globally, with a unique unrivalled reach to Japan. The investment team combines complementary entrepreneurial, private equity and investment banking skills.

Apposite has built a high quality primary portfolio of companies in the US and Europe. The firm invests in seasoned management with a clear vision and is committed to adding value to its portfolio companies. Apposite balances its investments across all stages of company development, providing venture, development and growth financings as well as buyout capital. Apposite typically invests as a lead investor and has a representation at the Board of Directors. Created in 2006, Apposite is headquartered in London, UK and has a presence in San Francisco, CA, USA. For more information please visit www.appositecapital.com.

About New Leaf Venture Partners

New Leaf Venture Partners is a leader in healthcare technology venture investing. Our investment professionals bring a unique blend of technological, clinical, and operational experience to our investments. We work closely with our entrepreneurs to help build successful portfolio companies. We focus primarily on later stage biopharmaceutical products, early stage medical devices, and laboratory infrastructure technologies.

New Leaf currently manages \$1.3 billion in assets. This includes our newest fund, New Leaf Ventures II, L.P. which closed with commitments of \$450 million in October 2007, New Leaf

Ventures I, L.P. and the healthcare technology portfolio of the Sprout Group, one of the oldest U.S. venture capital fund groups. For more information please visit <http://www.nlvpartners.com>

About SV Life Sciences

SV Life Sciences is a leading international life sciences venture capital firm. SVLS affiliated funds have been investing in life sciences companies since the early 1980s and the firm closed its first dedicated life sciences fund in 1994. The SVLS team manages six venture capital funds and a publicly traded investment trust with approximately \$2 billion of capital under management. The firm employs a diversified strategy within life sciences in order to selectively capitalize on an expanding opportunity in biotech, medical devices and health-care services. SVLS has offices in Boston, London and San Francisco. For more information please visit www.svlsa.com and www.ibtplc.com.