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**For Release at 7:00am EDT May 11, 2011**

## **NAUREX COMPLETES \$18 MILLION SERIES A FINANCING**

***—Industry Veteran Bill Gantz Joins as Chairman of the Board of Directors—***

***—Company Prepares to Initiate Patient Enrollment in GLYX-13 Phase II Trial in Treatment-Resistant Depression—***

**EVANSTON, IL, May 11, 2011** -- Naurex Inc., a clinical-stage company developing innovative treatments to address unmet needs in psychiatry and neurology, today announced the completion of an \$18 million Series A financing led by Adams Street Partners and Latterell Venture Partners. Druid BioVentures, Genesys Capital, PathoCapital, Lundbeck, Takeda Ventures, Inc. and Shire also participated in the round. Naurex will use the proceeds from the Series A financing primarily for the Phase II trial of its lead compound, GLYX-13, a glycine-site functional partial agonist (GFPA) selective modulator of the NMDA receptor (NMDAR), and also to advance its second-generation GFPA program.

“We view the distinguished group of investors joining our Series A round as an encouraging indicator of the significant clinical and commercial potential of our novel NMDAR modulators,” noted Derek A. Small, chief executive officer of Naurex. “We are delighted that the syndicate includes both experienced healthcare venture capital firms as well as three major pharmaceutical companies.”

Naurex also announced that Wilbur (Bill) Gantz of PathoCapital has been named chairman of Naurex’s board of directors, a newly created position. Terry Gould of Adams Street Partners and Kenneth Widder, MD, of Latterell Ventures are also joining as directors. Current board member David U’Prichard, PhD, of Druid BioVentures will continue as a director of Naurex, as will independent director Edward Chandler.

Mr. Small added, “We are very fortunate to be able to welcome these talented individuals to our board, including Bill Gantz as chairman. Bill has an outstanding record of achievement in our industry that includes heading a leading global healthcare company and serving as chief executive of a number of entrepreneurial life sciences enterprises that he guided to successful exits. We expect his experience and wisdom will be invaluable going forward.”

“Diseases of the CNS affect millions of patients, too many of whom are poorly served by current therapies,” said Mr. Gantz. “Naurex’s GFPAs show the potential to address some of the most serious deficiencies of current antidepressant agents, and the company has assembled a first-rate team to move them through development. I look forward to working with Naurex as we assess whether our GFPAs can deliver clinically on the promise they have shown to date.”

Known NMDAR-modulating agents such as ketamine have been shown in several human clinical trials to act very rapidly to alleviate the symptoms of depression and bipolar disorder, but their clinical utility has been hampered by their potential for abuse and behavioral impairment, including schizophrenia-like effects at doses near the therapeutic dose. GLYX-13 is Naurex’s lead GFPA selective modulator of the NMDAR. The novel GFPA class of compounds has demonstrated the potential to achieve the well-documented efficacy of classic NMDAR-modulating drugs, while avoiding their serious side effects.

In preclinical studies, GLYX-13 has demonstrated the robust antidepressant-like activity of ketamine, including its rapid onset and long duration of effect, with no signs of side effects. It also achieved the widest therapeutic ratio between efficacy and side effects (>500:1) of any known NMDAR modulator. In a Phase I trial, GLYX-13 was well tolerated, with adverse events for the groups receiving GLYX-13 and placebo all rated as mild. There were no signs of the schizophrenia-like side effects associated with other drugs that modulate the NMDAR. Naurex expects shortly to initiate patient enrollment in a Phase II trial of GLYX-13 in patients who are not achieving an adequate response to their current antidepressant agents.

“We are pleased to co-lead this Series A financing for Naurex as the company prepares to launch a Phase II trial testing GLYX-13 in treatment-resistant depression,” said Mr. Gould. “There is substantial unmet need for faster, more effective and safe antidepressants, and we believe that Naurex has assembled the right product candidates, development strategy and team to tackle this critical area.”

In addition to GLYX-13, Naurex is developing the NRX-1050 series of GFPAs, including numerous second-generation, orally available molecules with structures and mechanisms of action similar to GLYX-13. The efficacy potential of GFPAs has been demonstrated in animal models in a number of CNS disorders, including major depressive disorder, neuropathic pain, schizophrenia, anxiety, Alzheimer's disease and other cognition disorders.

Dr. Widder commented, “We are impressed by the fact that Naurex has accomplished a great deal to date with limited capital resources, and we are delighted to co-lead this Series A round, which should enable the company to accelerate development of its Gfpa compounds that have shown considerable promise preclinically in a variety of CNS disorders.”

Naurex's new chairman Bill Gantz is president and chief executive officer of PathoCapital, a healthcare investment firm. Previously, he was executive chairman of Ovation Pharmaceuticals, which was acquired by Lundbeck. Earlier, Mr. Gantz was chairman and chief executive officer of PathoGenesis Corp., a publicly traded biopharmaceutical company that was acquired by Chiron. His 25-year career at Baxter International included his serving as the company's president. Mr. Gantz is a graduate of Princeton University and Harvard Business School.

Mr. Small added, “We want to take this opportunity to express our thanks to departing directors Bert Atwater Getz, Jr., Jan Edward Leestma, MD, and J. Stark Thompson, PhD. They have provided invaluable guidance and support in helping us grow Naurex from day one, and we greatly appreciate their contributions that have helped us achieve our successes to date.”

Naurex's Gfpa program is based on the work of company founder Dr. Joseph R. Moskal and his colleagues at the Falk Center for Molecular Therapeutics at Northwestern University.

### **About Naurex**

Naurex Inc. is a clinical-stage private company developing novel therapies to address unmet needs in psychiatry and neurology based on a new mechanism of action for modulating the NMDA receptor in a safe way—glycine-site functional partial agonists (GFPAs). Naurex's lead product, GLYX-13, has shown promising signs of antidepressant activity with excellent safety in preclinical studies and these safety results have been confirmed in a Phase I clinical trial. Naurex is currently initiating a Phase II trial to assess GLYX-13 in patients who have had an inadequate response to an existing antidepressant treatment. Naurex's second-generation Gfpa program includes a number of molecules with preclinical proof of concept. It has patented these novel Gfpa chemistry classes and key molecular features that represent a platform for the development of new therapies for a variety of CNS disorders. The Gfpa program is based on the work of Naurex founder Dr. Joseph R. Moskal and his colleagues at the Falk Center for Molecular Therapeutics at Northwestern University. For more information about Naurex, visit [www.naurex.com](http://www.naurex.com).

### **About Adams Street Partners**

Adams Street Partners, LLC is a leading private equity investment firm, providing primary and secondary partnership and direct investment management services to institutional clients. Adams Street Partners is

one of the largest managers of private equity investments in the world and has one of the longest histories. Together with its predecessor organizations, Adams Street Partners has been investing in private equity partnerships since 1979 and managing direct investments in private equity since 1972. Adams Street Partners has offices in Chicago, London, Menlo Park and Singapore. For more information, visit [www.adamsstreetpartners.com](http://www.adamsstreetpartners.com).

#### **About Latterell Venture Partners**

Latterell Venture Partners invests in early stage healthcare companies with innovative technologies, large market opportunities, and passionate entrepreneurs. It offers a unique blend of venture capital, entrepreneurial, technical, clinical and collaborative skills that enable the firm to help entrepreneurs create highly successful new startups. LVP is committed to building a portfolio of outstanding biotechnology and medical device companies that produce excellent returns for its limited partners while providing major new disease treatments to help patients worldwide. For more information, visit [www.lvpcapital.com](http://www.lvpcapital.com).

#### **About Druid BioVentures**

Druid BioVentures, LLC creates and invests in novel drug candidates with a focus on virtual companies managed by highly experienced drug development professionals. The Druid BioVentures team is led by Dr. David U'Prichard and has decades of experience in pharmaceutical and biotechnology drug development, as well as venture capital. Druid BioVentures is based in Philadelphia, PA

#### **About Genesys Capital**

Genesys Capital is focused on building companies in the high-growth sectors of healthcare and biotechnology. Through its expertise and industry network, Genesys accelerates the development of commercially viable emerging companies that represent promising biotechnology investment opportunities. Genesys is one of the largest Canadian-based venture capital firms exclusively focused on the life sciences industry. For more information, visit [www.genesyscapital.com](http://www.genesyscapital.com).

#### **About PathoCapital**

PathoCapital LLC, is a privately owned investment company that invests in healthcare companies.

#### **About Lundbeck**

H. Lundbeck A/S is an international pharmaceutical company highly committed to improving the quality of life for people suffering from central nervous system (CNS) disorders. For this purpose, Lundbeck is engaged in the research, development, production, marketing and sale of pharmaceuticals across the world. The company's products are targeted at disorders such as depression and anxiety, schizophrenia, insomnia, epilepsy and Huntington's, Alzheimer's and Parkinson's diseases. Lundbeck is one of the world's leading pharmaceutical companies working with CNS disorders. For more information, please visit [www.lundbeck.com](http://www.lundbeck.com).

#### **About Shire**

Shire's strategic goal is to become the leading specialty biopharmaceutical company that focuses on meeting the needs of the specialist physician. Shire focuses its business on attention deficit and hyperactivity disorder, human genetic therapies and gastrointestinal diseases, as well as opportunities in other specialty therapeutic areas to the extent they arise through acquisitions. Shire's in-licensing, merger and acquisition efforts are focused on products in specialist markets with strong intellectual property protection and global rights. Shire believes that a carefully selected and balanced portfolio of products with strategically aligned and relatively small-scale sales forces will deliver strong results. More information can be found at: [www.shire.com](http://www.shire.com).

#### **About Takeda Ventures, Inc.**

Takeda Ventures, Inc. (TVI) is the corporate venture arm of Takeda Pharmaceutical Company Limited, a world-class pharmaceutical company and the largest in Japan. TVI is a wholly owned subsidiary of Takeda America Holdings, Inc. It seeks strategic opportunities to complement and extend internal discovery capabilities, but will additionally explore potentially new business avenues for Takeda through external strategic venture activities. Our aim is to encourage and support therapeutic innovation in the biopharmaceutical sector, as well as academic centers of excellence, through early stage capital investment and provision of access to the resources of a multinational pharmaceutical company. For more information, visit [www.takedaventures.com](http://www.takedaventures.com).