

Compound Therapeutics, Inc. Raises \$15.5 Million To Advance Product Pipeline Into Clinic

Waltham, Mass. - January 18, 2005 - Compound Therapeutics, Inc., a privately held biotechnology company, today announced that it has raised an additional \$15.5 million in an expansion of its Series A financing. These funds will be used to advance Compound's lead oncology product candidate into the clinic and to build the company's pipeline by moving additional programs into preclinical development. Compound is developing the next generation of biotherapeutics with its AdNectin and AdZyme technologies. AdNectins are a superior alternative to monoclonal antibodies, and AdZymes are catalytic protein antagonists. Investors include Atlas Venture, Flagship Ventures, and Polaris Venture Partners. Compound has raised a total of \$28.0 million in equity capital to date.

"We are extremely pleased by the commitment shown by our investors to advance Compound to the next level of development," said Frank Lee, President and CEO. "This financing is a testament to our technology, business strategy, and to the tremendous progress Compound has made over the past year."

The company's initial product candidate, CT-322, is an AdNectin that inhibits vascular endothelial growth factor receptor-2 (VEGFR-2) and has shown positive results in animal tumor models. GMP manufacturing activities are currently being initiated, and the compound will enter the clinic in early 2006. The company is optimizing AdNectin antagonists against a second oncology target and expects to file an IND for that product candidate in early 2007. The technology enables Compound to generate a pipeline of product candidates from which the company plans to file at least one IND every 12 to 18 months.

"Compound Therapeutics is truly pioneering the next wave of protein therapeutics with AdNectins and AdZymes. These technologies are the basis for products that are superior to current antibody products. Our lead product, CT-322, is just a year from clinical evaluation in cancer, and its preclinical development has taken only half the time that an antibody would require," said L. Patrick Gage, Executive Chairman at Compound and Venture Partner at Flagship Ventures. "The landscape is beginning to shift away from traditional antibodies as the industry realizes that new technologies are needed to overcome the many commercial and clinical limitations associated with antibody-based products."

CT-322 is an anti-angiogenic drug that restricts tumor growth in preclinical models of disease. Anti-angiogenic drugs have shown considerable promise in suppressing tumor growth in animals and in cancer patients. The discovery and development of CT-322 demonstrate the power and efficiency of Compound's technologies. Within nine months the company optimized the lead candidate, completed preclinical pharmacology proof of concept studies, and developed a high-productivity GMP manufacturing process. Targeted therapeutics, such as CT-322, are the most promising and fastest-growing segment of the \$40 billion dollar oncology market.

About Compound Therapeutics

Compound Therapeutics is a product discovery and development company creating the next generation of biotherapeutics using three proprietary technologies. AdNectins are non-antibody based, highly specific binding proteins designed to replace antibodies as the optimal protein antagonist technology. AdZymes are novel catalytic protein antagonists with a revolutionary mechanism that mediates target destruction. Each offers significant advantages, including faster and lower-cost product development, improved product potency and specificity, and a strong intellectual property position with broad freedom to operate. Compound uses its unique protein display technology, PROfusion™, as a powerful tool to generate AdNectins, AdZymes, and other types of protein antagonists. For additional information on Compound's technologies and collaboration opportunities, please visit the website at www.compoundtherapeutics.com.

About Atlas Venture:

Atlas Venture is the leading international early-stage venture capital firm, investing in technology and life sciences companies. With investing offices in Boston, London, Munich and Paris, Atlas Venture divides its investments between the United States and Europe. Founded in 1980, Atlas Venture has organized six international funds and currently manages \$2.1 billion in committed capital. The Atlas Venture investment team is composed of seasoned operating executives and career venture capitalists who have been deeply involved in the formation and development of more than 300 companies worldwide. For more information about Atlas Venture, go to www.atlasventure.com.

About Flagship Ventures:

Flagship Ventures is an early-stage venture capital firm focused on creating, financing, and building companies in the Life Science and High Technology sectors. Flagship's team of professionals is among the most experienced in the industry and represents a balance of venture capital, corporate executive, and entrepreneurship expertise. Its principals were involved as founders or investors in over 100 firms including: AltaVista, Anesta, Antigenics, Aspect Medical Systems, Astral Point Communications, Celera Genomics, Color Kinetics, Chantry Networks, Cytyc, DataSage, Exact Sciences, IDEXX, PerSeptive Biosystems, Telecorp PCS and TripAdvisor. Headquartered in Cambridge, MA, Flagship Ventures was founded in 1999 and manages \$700 million in capital. For more information, visit www.flagshipventures.com.

About Polaris Venture Partners:

Polaris Venture Partners invests in seed and early stage companies and in growth equity companies with substantial operating income. As the lead or co-lead investor in virtually all of their portfolio companies, Polaris takes an active long-term role in helping them develop into successful businesses. Polaris has over \$2 billion under management and current investments in more than 60 companies. Polaris-backed companies include: Advanced Inhalation Research

(AIR™); Akamai Technologies, Inc.; Allaire Corporation; Aspect Medical Systems; Centra Software; deCODE genetics; and SolidWorks (sold to Dassault Systèmes). The company has offices in Boston and Seattle. More information about Polaris Venture Partners is available at www.polarisventures.com.

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