

KALYPSYS AND NOVIMMUNE ESTABLISH COLLABORATION FOR DISCOVERY AND DEVELOPMENT OF NEW DRUGS FOR AUTOIMMUNE AND INFLAMMATORY DISEASES

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SAN DIEGO, CA, AND GENEVA, SWITZERLAND — June 16, 2005 — Kalypsys, Inc. and NovImmune SA announced today a collaboration designed to accelerate the discovery and development of new drugs for autoimmune and inflammatory diseases. Financial terms of the agreement were not disclosed.

The collaboration is intended to discover, develop and commercialize small molecule modulators of the major histocompatibility complex II (MHC class II) in patients suffering from autoimmune and inflammatory diseases. The collaboration will pair Kalypsys' 1536-well ultra-high throughput screening technology, extensive chemical library and small molecule research capabilities with NovImmune's expertise in immunoregulation and MHC class II associated biology. Autoimmune and inflammatory disorders represent a large group of diseases that are due to aberrant activation of T lymphocytes. Through this collaboration, Kalypsys and NovImmune are working to develop therapeutics to target the cause of T lymphocyte-mediated autoimmune tissue destruction and not simply its final consequences.

"We believe that NovImmune's expertise in the field of immunology partnered with our technology and small molecule skills will add successful collaboration candidates to the Kalypsys and NovImmune pipelines," stated John McKearn, Ph.D., President and Chief Executive Officer of Kalypsys. "In addition to driving our own in-house small molecule pipeline, establishing strategic partnerships is a key component of our business model."

In the collaboration, Kalypsys will screen its proprietary library to identify potent modulators of MHC class II and establish a chemical profile of the target using its ultra-high throughput automated technology and informatics. Kalypsys may also participate in research and development of identified leads. NovImmune will provide a proprietary assay in addition to biology, pharmacology, and chemistry to support the research effort.

"Generating a safe yet effective NCE is a significant challenge requiring robustness, focus and innovative strategies. The NovImmune/Kalypsys collaboration brings these to the table, synergizing the biology NovImmune uses to develop first-line antibody therapeutics with Kalypsys' powerful small molecule engine," said Marie Kosco-Vilbois, Ph.D., Chief Scientific Officer of NovImmune. "We look forward to exploiting opportunistic leads that emerge using NovImmune's proprietary assays as well as those that specifically target the transcription factors regulating MHC class II molecules."

About Kalypsys

Kalypsys is a privately owned San Diego small-molecule drug company that uses a suite of validated, ultra-high throughput lead discovery technologies developed initially by the Genomics Institute of the Novartis Research Foundation (GNF). Kalypsys has an integrated drug discovery infrastructure and seasoned team of scientists that are advancing its pipeline into clinical development. Kalypsys uses its technologies and sizeable drug-like compound collection to improve the drug discovery research process and generate a robust pipeline for itself and its partners. Kalypsys' mission is to build a sustainable drug candidate pipeline from target to proof of efficacy and safety in the clinic with unmatched speed, efficiency, and success rates and currently has a pre-clinical pipeline of small molecule candidates which is advancing rapidly to clinical development. Kalypsys has announced other technology transfer partnerships with Merck & Co., Inc, the National Institutes of Health and the Los Alamos National Laboratories. For more information on Kalypsys, please visit www.kalypsys.com.

About NovImmune

NovImmune is a Geneva-based drug development company focusing on immune related diseases, inflammation and immunosuppression. Its main products are fully human therapeutic monoclonal antibodies, directed against well-validated and medically relevant targets. NovImmune will partner

most of its antibody drugs after completion of phase II clinical trials. In addition, NovImmune is developing a new class of immunosuppressors and anti-inflammatory agents as low molecular weight inhibitors of MHC Class II expression, directed against highly specific and totally validated protein targets. NovImmune has concluded 10 biotech alliances, giving the company access to key technologies required to implement its drug development program. For more information on NovImmune, please visit www.novimmune.com.
