

Kereos Secures \$19.5 Million in Series B Financing

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Funding Will Support Clinical Trials of Targeted Cancer Imaging Agents and Drugs

Sept. 20 /PRNewswire/ -- Kereos, a biotechnology company developing targeted imaging agents and therapeutics to improve the detection and treatment of cancer and cardiovascular disease, announced today that it has raised \$19.5 million in a Series B venture financing. The funding will enable Kereos to advance its lead product candidates KI-0001, a targeted imaging agent to detect various solid tumors, and KI-1001, a targeted chemotherapeutic to selectively destroy tumors, through Phase I/II clinical trials.

New investors Prolog Ventures, Triathlon Medical Ventures and Charter Life Sciences led the round along with existing investor RiverVest Venture Partners. Existing investor also participated in the round. Additional new investors included Alafi Capital, Apjohn Ventures, Harris and Harris Group, Lux Capital, MB Venture Partners, Sigvion Capital and Vectis Life Science, as well as corporate investors Genentech and Royal Philips Electronics.

"This financing will support proof-of-concept studies with Kereos' tumor-targeted magnetic resonance imaging (MRI) agent, which supports early cancer diagnosis by allowing physicians to see tumors as small as 1 to 2 mm in size, and our targeted chemotherapeutic, which delivers potent doses of paclitaxel directly to the tumor," said Robert Beardsley, Ph.D., President and CEO of Kereos. "At the same time, Kereos is working in collaboration with corporate and academic partners to develop similar targeted imaging agents and targeted therapeutics for cardiovascular disease."

"Physicians, healthcare payors and the FDA are all pushing not only for more targeted cancer drugs, but also for the ability to select patients most likely to respond to them, and Kereos is bringing both forward," said Gregory Johnson, Ph.D., Managing Director of Prolog Ventures. "Since their cancer diagnostic and therapeutic leverage the same technology and target the same cancer biomarker, the intensity of the tumor during diagnostic MRI with the imaging agent has been shown to effectively predict which tumors are most likely to respond to the chemotherapeutic. With this, Kereos has achieved a true pairing of complementary molecular imaging and treatment technologies."

"We are delighted to have attracted such an experienced group of investor partners, whose financial support and development expertise will be invaluable as we initiate clinical trials next year," added Constantine Anagnostopoulos, Ph.D., Chairman of the Board at Kereos. "Kereos was founded on the work of Drs. Gregory Lanza and Samuel Wickline at Washington University School of Medicine in St. Louis, supported by the National Cancer Institute (NCI), expanded by working with major companies such as Bristol-Myers Squibb Medical Imaging and Philips' Medical Systems division, and with our new investor partners is now poised to advance into the clinic."

About Kereos:

Kereos develops products designed to provide more effective detection and treatment of cancer, the first two of which are expected to enter clinical trials for solid tumors in 2006. The company's proprietary technology pairs diagnosis and therapy by targeting imaging agents or therapeutics specifically to the disease site. The company's targeted imaging agents allow more accurate and sensitive imaging, and its targeted chemotherapeutics deliver potent and precise therapy. In addition to advancing its internal pipeline, Kereos is working with leading pharmaceutical and imaging companies, including Bristol-Myers Squibb Medical Imaging on the development and commercialization of cardiovascular disease magnetic resonance imaging (MRI) agents and Philips Medical Systems on the development of molecular imaging systems. Kereos is headquartered in St. Louis at the Center for Emerging Technologies. For more information, visit Kereos' website at www.kereos.com.