

Hydra Biosciences, a Biopharmaceuticals Company Developing Molecular Regeneration Medicines, Secures \$9.3 Million in Series A Funding

Leading Venture Capital Firms Polaris Venture Partners, Abingworth, New Enterprise Associates, and Advanced Technology Ventures Participate

Robert Carpenter of Boston Medical Investors to Chair Board of Directors

CAMBRIDGE, MA — July 25, 2002 — Hydra Biosciences, Inc., a biopharmaceuticals company developing molecular regeneration medicines, announced today that it has raised \$9.3 million in its first round of private equity financing. Polaris Venture Partners led the Series A round with Abingworth as co-lead and New Enterprise Associates, Advanced Technology Ventures, Boston Medical Investors and several individuals also participating. The funds will be used to support the company's growth in all areas.

Robert Carpenter of Boston Medical Investors, who is also a director and former executive vice president of Genzyme Corporation and a director of Cardiac Science, has been appointed chairman of Hydra's board of directors. Mr. Carpenter founded and was previously chairman of the board of Geltex Pharmaceuticals. He was also chief executive officer of Integrated Genetics before it was acquired by Genzyme.

"With Hydra's unique approach to the development of regeneration medicines and the strength of its scientific founders, I am convinced the company has an unusual opportunity to develop revolutionary drugs, particularly in the cardiovascular arena," said Robert Carpenter, chairman of the board.

Hydra Bioscience's approach to regeneration is grounded in regeneration genetics and genomics, signal transduction and proprietary assays for cell dedifferentiation and redifferentiation. These technologies allow Hydra to discover proteins and small molecules that reprogram a patient's own mature cells within the patient's own body to become cells capable of multiplying and replacing damaged or destroyed cells without scarring. Hydra's planned regeneration medicines will offer an alternative to cell-based therapies for organ and tissue restoration.

It was also announced that Drs. Christoph Westphal of Polaris Venture Partners and Jonathan MacQuitty of Abingworth will take seats on Hydra's board of directors, joining co-founder and chief executive officer Laurie Bartlett Keating and Dr. Hugh Rienhoff. Dr. Rienhoff serves as a director of Iconix and Apneos. He was a founding director of Aurora BioSciences and Healthcon and is the founder and former chief executive officer of DNA Sciences, Inc.

"Hydra Bioscience is an early-stage company with enormous promise. It has world class people, world class science and proposed drugs with competitive advantages that address large unmet needs," said Christoph Westphal, general partner at Polaris Venture Partners. "Molecular regeneration medicines have the potential to revolutionize patient care in a number of important disease areas. We look forward to working with Hydra's founders and our fellow investors to build a successful company in this emerging field."

Hydra Biosciences was founded in 2001 by Laurie Bartlett Keating, David Clapham, M.D., Ph.D., Mark Keating, M.D., and Dean Li, M.D., Ph.D. Ms. Keating was

previously an executive with three high growth technology companies, Sybase, Inc., Iomega Corporation and most recently Campus Pipeline, where she served as interim chief executive officer. Dr. Clapham is the Castaneda professor of cardiovascular research and a professor of neurobiology at Harvard Medical School, and a professor of cardiology at Children's Hospital. Dr. Keating is a professor of cell biology at Harvard Medical School and a professor of cardiology at Children's Hospital. Dr. Li is an associate professor of medicine and director of the Vascular Biotherapeutics Center at the University of Utah.

"This Series A financing gives Hydra a strong financial foundation for moving forward with its exciting drug discovery programs in regeneration medicine," said Laurie Bartlett Keating, chief executive officer. "We are gratified to have the backing of these premier investors and know that we will benefit enormously from their broad experience in building successful life sciences companies."

About Hydra Biosciences, Inc.

Hydra Biosciences is a Cambridge Massachusetts based biopharmaceutical company developing regeneration medicines. Hydra's approach to regeneration is grounded in regeneration genetics and genomics, signal transduction and assays for cell dedifferentiation and redifferentiation. These technologies allow Hydra to discover proteins and small molecules that reprogram a patient's own mature cells within the patient's own body to become cells capable of multiplying and replacing damaged or destroyed cells without scarring. Hydra's regeneration medicines will offer an alternative to cell-based therapies for organ and tissue restoration. More information about Hydra is available at www.hydrabiosciences.com.

About Polaris Venture Partners

With over \$2 billion under management, Polaris Venture Partners is a partnership of experienced venture capital investors and technology executives. Polaris assists entrepreneurs in building exceptional information and medical technology companies. Polaris-backed companies include: Akamai Technologies, Inc. (NASDAQ: AKAM); Allaire Corporation; Aspect Medical Systems (NASDAQ: ASPM); Centra Software (NASDAQ: CTRA); deCODE Genetics (NASDAQ: DCGN); Paradigm Genetics (NASDAQ: PDGM). Former Polaris-backed companies have included: Advanced Inhalation Research (AIR) (sold to Alkermes), 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.

About Abingworth

Abingworth is an independent venture firm founded in 1973 and is a key player among life science venture capital investors on both sides of the Atlantic, having offices in London and Palo Alto. Abingworth has funds under management of close to \$400 million and 7 experienced professionals with operational and venture capital expertise. It has backed more than 75 life science/medical companies, most of which have gone public or been acquired. More information about Abingworth is available at www.abingworth.com.

About New Enterprise Associates

New Enterprise Associates (NEA) is a leading venture capital firm investing primarily in information technology, biotechnology and medical/life sciences companies. Practicing classic venture capital for over 20 years, NEA focuses on early stage investments, playing an active role in assisting management to build companies of

lasting value. With \$4.9 billion under management, NEA's experienced management team has invested in over 500 companies of which more than 135 have gone public and more than 150 have been acquired. More information about NEA is available at www.nea.com.

About Advanced Technology Ventures

Founded in 1979, Advanced Technology Ventures (ATV) is a leading venture capital firm whose management experience, technology expertise, global network of industry contacts and collaborative style has helped more than 120 companies navigate from inception to IPO and beyond. With approximately \$1.5 billion of committed capital, its portfolio includes investments in the areas of communications, Internet infrastructure, software and services, and healthcare. ATV's investment philosophy centers on collaborative, active participation with the management teams of its portfolio companies. More information about ATV is available at www.atvcapital.com.