



For Immediate Release

CHIMERIX AWARDED \$36.1M NIH GRANT TO DEVELOP ITS ORAL DRUG FOR THE TREATMENT OF SMALLPOX INFECTION

- Company Also Closes \$3.1M Private Equity Financing -

SAN DIEGO, CA, September 09, 2003 - Chimerix Inc., an emerging biotechnology company developing orally available, targeted medicines from bioactive molecules, today announced that it has been awarded a four and a half year, \$36.1 million grant from the U.S. National Institute of Allergy and Infectious Diseases (NIAID) of the National Institutes of Health (NIH). The grant will fund the development of Chimerix's oral antiviral drug for the treatment of smallpox infections and complications resulting from smallpox vaccination.

To date, there is no effective oral drug therapy for smallpox. There is an approved smallpox vaccine, but significant side effects are associated with its widespread use. Cidofovir is an approved drug for the treatment of cytomegalovirus (CMV) infections that also has been shown to be an effective therapy in primate models of smallpox infection. The drug is marketed in the United States as Vistide® by Gilead Sciences. Cidofovir is administered by intravenous infusion, making it impractical for broad distribution in the event of a smallpox outbreak. Modification of cidofovir using proprietary Chimerix chemistry yields a new drug, CMX-001, that is orally available, more potent and less toxic than cidofovir. In recent studies, antiviral assays showed that the Chimerix compound was 100 times more potent than cidofovir and active against a variety of pox viruses including smallpox and monkeypox. When given orally it was fully effective in preventing mortality in mouse models of pox virus infection.

"The smallpox virus could potentially be one of the most dangerous biological weapons in the world, yet there are an estimated 40 million Americans who cannot safely be vaccinated," said George Painter, president and CEO of Chimerix. "We are pleased to receive this funding from the NIAID, and are committed to developing a drug to protect against this bioterrorism threat. We believe that CMX001 has the potential to be both a preventative treatment for smallpox, as well as a treatment for the adverse and sometimes fatal side effects associated with vaccination."

The NIAID grant will cover the remaining work necessary to complete development and seek regulatory approval for CMX-001. Upcoming milestones include performing additional toxicology studies in mice, filing an Investigational New Drug (IND) application with the Food and Drug Administration (FDA) to begin a Phase I trial to evaluate the safety, tolerability, and pharmacokinetics of a single, escalating dose in human volunteers, and beginning efficacy studies in the cynomolgus monkey model of smallpox infection in collaboration with the United States Army Medical Research Institute for Infectious Diseases (USAMRIID). Under the animal efficacy rule, studies that are expected to be completed in 2004 would provide the efficacy data necessary for an FDA approval.

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In conjunction with the grant, Chimerix also announced that it has closed a \$3.1M preferred stock financing with its founding investors, Sanderling Ventures and Asset Management. Funds will be used as working capital to further the progress of Chimerix's drug development programs for Human Immunodeficiency Virus (HIV) and Hepatitis C Virus (HCV), and to continue to support the Company's R&D activities focused on the application of Chimerix technology for the development of novel therapeutics to address unmet medical needs.

About Chimerix

Chimerix Inc. is a privately held biotechnology company creating and developing orally available medicines from bioactive molecules. Application of Chimerix's proprietary technology enhances oral availability, stabilizes drug in plasma, and facilitates the delivery of drugs into targeted tissues. Known drugs can be modified to improve dosing parameters, broaden therapeutic applications and decrease the risk of adverse reactions. Chimerix is applying its technology towards discovery and development of oral drugs for the treatment of smallpox, drug-resistant HIV infection and viral hepatitis. The company is headquartered in San Diego, CA, with offices in Research Triangle Park, NC.

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