

## **Bayhill Therapeutics raises \$35.4 million in Series B financing**

Palo Alto, CA – **May 4, 2005** – Bayhill Therapeutics Inc. today announced the completion of a Series B private venture financing of \$35.4 million led by De Novo Ventures and Lilly Ventures and joined by Series A shareholders, CMEA Ventures, Latterell Venture Partners, Morgenthaler Ventures, U.S. Venture Partners, and the Vertical Group. Participants in this new round of financing include A.M. Pappas Life Science Ventures; Boston Life Science Venture Corp (Taiwan); Grand Cathay Venture Capital Company, LTD (Taiwan); Montreux Equity Partners; PAC-LINK Bio Management Corp (Taiwan); Prudence Venture Investment Corp (Taiwan); and Quintiles' PharmaBio Development.

"This financing supports the development of our lead product candidate currently in phase I, BHT-3009, an antigen-specific drug for treating multiple sclerosis, through Phase II clinical testing," said Mark W. Schwartz, PhD, and President and CEO. "The financing will also support development of our second antigen-specific therapeutic for type I diabetes, as well as the development of our oligonucleotide therapeutic."

Bayhill Therapeutics also announced that Fred Dotzler, Managing Director of De Novo Ventures and David Thompson, Vice President, Corporate Strategy and Business Development of Eli Lilly and Company, have joined the Bayhill Therapeutics board of directors.

"Bayhill Therapeutics' unique understanding of immune tolerance and autoimmunity positions the company to develop a pipeline of novel therapeutics for serious autoimmune diseases," said Fred Dotzler, Managing Director of De Novo Ventures and a new member of the Bayhill board of directors. "This financing will enable Bayhill to deliver clinical proof-of-concept for antigen specific therapy, and firmly establish the company as a leader in developing treatments for autoimmune diseases."

"Bayhill impressed investors with its diverse and experienced management and founding team," said David Thompson, Vice President, Corporate Strategy and Business Development of Eli Lilly and Company and a new member of the Bayhill board of directors. ""The company has assembled a group of experienced investors, and our

mutual focus is to build an important new biopharmaceutical company to treat major unmet medical needs," Mr. Thompson said.

### **About Bayhill Therapeutics**

Bayhill Therapeutics Inc. is focused on the translation of research into therapeutics by developing novel drugs for the treatment of autoimmune diseases. The company has established a therapeutic platform of antigen specific therapeutics, BHT-DNA™, with broad potential applications in treating autoimmune diseases, including multiple sclerosis, type 1 diabetes, and rheumatoid arthritis. In addition, Bayhill is developing a second therapeutic program, BHT-Oligo™, using novel oligonucleotide based drugs for treating autoimmune diseases. For further information, please visit:

<http://www.bayhilltherapeutics.com>

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