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**ACUITY PHARMACEUTICALS ANNOUNCES COMPLETION  
OF FINANCING ROUND**

*--Includes Investment Awards from BioAdvance and Ben Franklin Technology Partners--*

Philadelphia, PA – February 10, 2004 – Acuity Pharmaceuticals, a product-focused ophthalmic pharmaceutical company, today announced its first institutional round of financing which is raising a total of \$2.4 million, including awards of \$1 million from leading Pennsylvania early stage institutional investors.

Acuity has now raised a total of \$3.7 million, including the proceeds of its first financing in June, 2003. This financing round includes investment awards from BioAdvance, the Biotechnology Greenhouse of Southeastern Pennsylvania and Ben Franklin Technology Partners of Southeastern Pennsylvania (BFTP/SEP), each of whom is investing \$500,000. The majority of Acuity's current shareholders also participated in this round.

"Completion of this financing, the recent announcement of the publication of a core Acuity patent application, and the initial success demonstrated in our soon-to-be published primate efficacy study are key milestones that solidly position Acuity to progress Cand5 to an IND filing later this year," said Dale Pfost, Ph.D., president and CEO of Acuity. "We have made significant strides in our clinically-focused development program over the past nine months, and these achievements in turn have contributed to our selection by these institutional investors after a highly competitive and selective due diligence process."

Acuity intends to use the proceeds of this financing to support pre-clinical studies of Cand5, its small interfering RNA (siRNA) therapeutic being developed for macular degeneration (AMD), one of the leading causes of adult blindness in the developed world. Initiation of clinical trials for Cand5 is targeted for late 2004.

Acuity is one of eight life sciences enterprises in the greater Philadelphia region that has been selected as a recipient of the second Greenhouse Fund funding cycle conducted by BioAdvance, which announced today that it is awarding more than \$3 million in investments to this new round of recipients.

"Acuity exemplifies how the exceptional biomedical resources of the greater Philadelphia region can be harnessed for companies working to accelerate the translation of pioneering science into a clinical and commercial reality," said Barbara S. Schilberg, managing director and chief executive officer of BioAdvance. "Applying leading science from the University of Pennsylvania, the Acuity team has already made significant progress in moving this important innovation towards clinical trials that will address the urgent medical need represented by macular degeneration."

Acuity is one of seven southeastern Pennsylvania technology companies that have been awarded \$1,750,000 for prototype and product development by Ben Franklin Technology Partners of Southeastern Pennsylvania (BFTP/SEP) over the past several months. Ben Franklin Technology Partners has an extensive and successful history in investing in startup biotech companies in the greater Philadelphia region including Centocor and Cephalon.

"Using pioneering siRNA compounds and technology, Acuity is developing treatments to arrest and potentially reverse the vision loss caused by age-related macular degeneration and diabetic retinopathy," said Jimmy Lee, director, investments & entrepreneurial services, biotechnology and life sciences at Ben Franklin Technology Partners. "Acuity's innovative approach and significant clinical and commercial potential exemplify the type of entrepreneurial companies that we are committed to support in our region."

In the February 18th edition of the peer-reviewed journal *Retina*, Acuity will publish data from its primate study, which represents the first demonstration of the clinical efficacy of an siRNA therapeutic in a validated large animal model of disease. Acuity also recently announced publication of its patent application covering therapeutic uses of siRNA targeted to vascular endothelial growth factor (VEGF) and two of its cellular receptors.

### **About Acuity**

Founded in late 2002, Acuity Pharmaceuticals is a product-focused pharmaceutical firm that is a pioneer in commercializing small interfering RNA (siRNA) therapeutics. Acuity is developing treatments for serious diseases of the eye and retina -- age-related wet macular degeneration (wet AMD) and diabetic retinopathy (DR). Current therapies for these conditions are limited, and they represent the number one and two causes of irreversible vision loss in the developed world. The number of patients afflicted with AMD and DR is growing rapidly as a result of aging populations and the increasing incidence of diabetes worldwide. The easily accessed and enclosed nature of the eye makes ocular diseases ideal targets for siRNA-based therapies. In preclinical studies, Acuity's siRNA compounds have demonstrated efficacy in shutting down production of vascular endothelial growth factor (VEGF), a naturally-occurring protein that is central to development of wet AMD and DR and is also implicated in other diseases. Acuity's core siRNA technology is licensed from the University of Pennsylvania, and was developed by leading retinal researchers at the Scheie Eye Institute. For more information visit the Acuity Pharmaceuticals website at [www.acuitypharma.com](http://www.acuitypharma.com).

### **About BioAdvance**

As a part of a \$2 billion initiative by the Commonwealth of Pennsylvania to stimulate the economy by supporting life sciences technologies, BioAdvance received \$33.8 million from the State's share of the tobacco settlement monies to accelerate the creation of life sciences jobs and businesses in Southeastern Pennsylvania. BioAdvance will accomplish this goal through its key funding program, the Greenhouse Fund, and other initiatives to link entrepreneurs to the region's wealth of resources. For information about BioAdvance, please visit [www.bioadvance.com](http://www.bioadvance.com).

### **About Ben Franklin Technology Partners of Southeastern Pennsylvania**

BFTP/SEP is dedicated to growing the region through science, technology and entrepreneurship. Now commemorating 20 years of innovation excellence, Ben Franklin provides entrepreneurs and established businesses the capital, talent, and expertise they need to compete. Like its namesake, Ben Franklin invests in, builds upon and delivers

solutions that grow communities and create new wealth by supporting today's technological ideas and tomorrow's scientific discovery. For more information, Ben Franklin's website is [www.benfranklin.org](http://www.benfranklin.org).