



PRESS RELEASE

X-Chem and PsyBrain Establish Partnership to Discover New Psychiatric Medicines

-- New company founded by world-renowned leaders arising out of an X-Chem Collaboration with Academic CNS Drug Development Clinicians --

WALTHAM, Mass. – January 10, 2014 - X-Chem, Inc., a privately held biotechnology company focused on applying its innovative drug discovery capabilities to the generation of novel small molecule therapeutics, today announced it has entered into a partnership with PsyBrain, Inc. to discover new drugs for treating psychiatric illnesses. According to National Institute for Mental Health approximately one in four adult Americans suffers from a diagnosable mental disorder in a given year, yet there are very few innovative medicines in development. PsyBrain is an emerging start-up company, arising out of a 2012 collaboration between X-Chem and a group of academic, Central Nervous System (CNS), drug development leaders. PsyBrain's founders include Jerrold Rosenbaum, M.D., Chief of Psychiatry, Massachusetts General Hospital (MGH) and Stanley Cobb Professor of Psychiatry and Maurizio Fava, Executive Vice Chair, MGH Psychiatry and Slater Family Professor of Psychiatry, both from Harvard Medical School.

Under the terms of the agreement, X-Chem will conduct drug discovery efforts to identify lead compounds for therapeutic targets provided by PsyBrain. X-Chem will receive research and development funding for each project. Each X-Chem program licensed by PsyBrain is eligible for pre-clinical, clinical and sales milestones. Financial details were not disclosed.

“This agreement between PsyBrain and X-Chem establishes a broad collaboration that we believe will generate significant new treatments for brain diseases,” said Rick Wagner, Ph.D., Chief Executive Officer of X-Chem. “New therapies for psychiatric illnesses have been difficult to discover. By combining PsyBrain's expertise and insights into novel targets with X-Chem's powerful drug discovery platform, we are charting a new course to tackle these life-altering afflictions.”

About X-Chem

X-Chem, Inc. is a biotechnology company based in Waltham, Massachusetts. X-Chem uses its proprietary high-diversity library and ultra-efficient screening platform to



improve the rate and quality of small molecule lead discovery and expand the universe of 'druggable' targets. X-Chem has established partnerships with several leading pharmaceutical companies, biotechnology organizations, and academic centers. In 2010, X-Chem and Pharmaceutical Product Development, LLC (PPD) formed a strategic partnership, including an investment from PPD. For further information on X-Chem, please visit: <http://www.x-chemrx.com/>.

About PsyBrain

PsyBrain is a new drug discovery and development biotechnology company that includes co-founders Jerrold Rosenbaum, M.D., Chief of Psychiatry, MGH and Stanley Cobb Professor of Psychiatry together with Maurizio Fava, Executive Vice Chair, MGH Psychiatry and Slater Family Professor of Psychiatry, both from Harvard Medical School and Roy Perlis, M.D., M.Sc., Director, Center for Experimental Drugs and Diagnostics, MGH, and Associate Professor, Harvard Medical School. PsyBrain has assembled a world-class panel of expert advisors in neurobiology of psychiatric disease and therapeutic drug development.

About PPD

PPD is a leading global contract research organization providing drug discovery, development, lifecycle management and laboratory services. Our clients and partners include pharmaceutical, biotechnology, medical device, academic and government organizations. With offices in 46 countries and more than 12,500 professionals worldwide, PPD applies innovative technologies, therapeutic expertise and a commitment to quality to help clients and partners accelerate the delivery of safe and effective therapeutics, and maximize the returns on their R&D investments. For more information, visit www.ppd.com.

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Forward-looking Disclaimer

Except for historical information, all of the statements, expectations and assumptions, including statements, expectations and assumptions about X-Chem's small molecule drug discovery technology and its collaboration with PsyBrain, contained in this news release are forward-looking statements that involve a number of risks and uncertainties. Although X-Chem attempts to be accurate in making these forward-looking statements, it is possible that future circumstances might differ from the assumptions on which such statements are based and could cause actual



results to differ materially from the forward-looking statements. Other important factors that could cause future results to differ materially include the following: rapid technological advances that make our services less competitive; risks associated with and dependence on strategic relationships; the ability to attract, integrate and retain key personnel; competition in the outsourcing industry; X-Chem's ability to win new business; the rate of conversion of backlog into revenue and earnings; actual operating performance; overall global economic conditions; economic conditions, research and development spending, and outsourcing trends in the pharmaceutical, biotechnology and government-sponsored research sectors; consolidation in the pharmaceutical and biotechnology industries; loss, delay or modification of large contracts; compliance with drug development regulations; changes in the regulation of the drug development process; risks associated with acquisitions and investments; and the ability to control SG&A spending. PPD and X-Chem assume no obligation and expressly disclaims any duty to update these forward-looking statements in the future, except as required by applicable law. These forward-looking statements should not be relied upon as representing X-Chem's estimates or views as of any date subsequent to the date hereof.