

**HEPTARES DELIVERS FIRST STABILISED GPCR (STAR®) TO MORPHOSYS
FOR ANTIBODY DISCOVERY**

Welwyn Garden City, UK and Boston, MA, USA, 10 October 2013 – Heptares Therapeutics, the leading GPCR structure-guided drug discovery and development company, achieved the first research milestone in its antibody therapeutics alliance with MorphoSys AG (FSE: MOR; Prime Standard Segment, TecDAX), announced in February 2013. The milestone is based on the generation of a stabilised (StaR®) form of the first GPCR target selected by MorphoSys, a key step that will enable its use as an antigen against which novel antibodies can be produced. Heptares will receive an undisclosed payment from MorphoSys as a result of this research milestone being achieved.

Heptares' StaR platform offers a breakthrough solution to the main challenge associated with making antibodies against GPCRs: producing purified, properly folded and functional protein when removed from the cell membrane for use as an antigen. Furthermore, StaR proteins preserve biologically relevant epitopes, thereby enabling generation of diverse panels of functional antibodies.

Under the terms of the agreement, Heptares is generating stabilised receptors for a set of GPCR disease targets proposed by MorphoSys. MorphoSys will then apply its Ylanthia® antibody library to discover and develop antibody therapeutics against these StaR proteins. MorphoSys has the right to sublicense to third parties access to these targets in conjunction with therapeutic antibody candidates. Heptares has received upfront and research funding payments, and is eligible to receive a share of future sublicensing revenues generated by MorphoSys. As part of the agreement, Heptares will also develop and commercialise one therapeutic antibody created by MorphoSys against a GPCR target selected by Heptares. In this case, MorphoSys is eligible to receive licence fees, milestones and royalties on any Ylanthia antibody developed by Heptares.

In addition to its antibody discovery collaboration with MorphoSys, Heptares is applying its StaR platform to antibody drug discovery in partnerships with MedImmune and with an undisclosed major US pharmaceutical company.

To date, Heptares has achieved all scientific milestones in its drug discovery collaborations on or ahead of schedule.

###

About Heptares Therapeutics

Heptares creates new medicines targeting clinically important, yet historically challenging, GPCRs (G protein-coupled receptors), a superfamily of drug receptors linked to a wide range of human diseases. Leveraging our proprietary structure-based drug design technology platform, we have built an exciting pipeline of novel drug candidates with the potential to transform the treatment of serious diseases, including Alzheimer's disease, Parkinson's disease, schizophrenia, migraine and diabetes. Our pharmaceutical partners include Cubist, MorphoSys, Takeda, AstraZeneca and MedImmune, and we are backed by Clarus Ventures, MVM Life Science Partners, Novartis Venture Fund, the Stanley Family Foundation and Takeda Ventures. To learn more about Heptares, please visit www.heptares.com

*The HEPTARES name, the logo and STAR are trade marks of Heptares Therapeutics Ltd
Ylanthia® is a registered trademark of MorphoSys AG*

Contact Information

Citigate Dewe Rogerson (for Heptares)

Mark Swallow, Chris Gardner
+44 (0)20 7282 2948/2995
mark.swallow@citigatedr.co.uk

Heptares Therapeutics Ltd

Malcolm Weir, Chief Executive Officer (UK)
+44 (0)1707 358 629
malcolm.weir@heptares.com

Dan Grau, President (USA)

+1 857 222 4586
dan.grau@heptares.com