

Media Release



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Flexion Therapeutics Announces Agreements with Four Major Pharmaceutical Companies

Woburn MA, 29 January 2010 – Flexion Therapeutics today announced agreements with four major pharmaceutical partners, acquiring the rights to four clinical-stage compounds, and gaining investment from the world's biggest pharmaceutical company.

The agreements with AstraZeneca, Merck Serono (a division of Merck KGaA, Darmstadt, Germany) and one other partner establish for Flexion a mature pipeline of clinically enabled drug candidates focused on inflammatory diseases. An investment from Pfizer's Venture Capital group closed Flexion's Series A financing round at \$42 million.

"To win the confidence of four major pharmaceutical companies and be able to partner on such high-quality assets is a real tribute to our team," said Dr Mike Clayman, Chief Executive Officer of Flexion Therapeutics. "We were able to review over 100 compounds from numerous potential partners before selecting these high-value specialty programs, each of which has increased probability of success at both proof of concept and Phase 3."

"We were impressed from the start by Flexion's smart approach to drug development," said Barbara Dalton, Vice President, Worldwide Business Development, Venture Capital and Established Products, Pfizer. "In an age of ever increasing costs, it's refreshing to find a management team with a proven track record of driving down development costs and speeding the delivery of defining data."

Under the terms of the in-licensing deals, Flexion has acquired a clinically enabled compound from AstraZeneca, a compound from Merck Serono and two other clinical compounds from an undisclosed pharmaceutical partner. The potential drugs will be developed for a range of inflammatory conditions, including the intra-articular treatment of osteoarthritis, and for tinnitus.

Financial terms were not disclosed but the agreements include milestone payments and royalties if the compounds are successful.

Rodger McMillan, Vice President Respiratory & Inflammation Research Area, at AstraZeneca said: "Our internal R&D is complemented by external collaborations like this one with Flexion

designed to realize the value of our innovative portfolio. In Flexion, we recognised a company that could efficiently progress compounds to make a difference for patients.”

Vincent Aurentz, Executive Vice President of Portfolio Development at Merck Serono added: “A willingness to fully explore the potential of highly innovative products in collaborative structures is critical for our strategy. The deep development expertise of Flexion makes them an ideal partner for us.”

Pfizer Venture Investments joins a strong syndicate of investors in backing Flexion. In October last year, Flexion announced an initial Series A funding round of \$33 million from established venture capital firms Versant Ventures, 5AM and Sofinnova Partners.

About Flexion Therapeutics

Flexion Therapeutics in-licenses clinically enabled drug candidates with high-value specialty potential and develops these to proof of concept (PoC) and beyond. The independent company was founded in 2007 by Mike Clayman and Neil Bodick, both deeply knowledgeable drug developers, who previously created Eli Lilly’s Chorus division. Chorus became uniquely proficient at progressing novel molecules to clinically meaningful PoC.

The combination of PoC core competency and extensive experience advancing compounds to submission and approval enables Flexion to produce defining data for partners, regulators, payers and ultimately prescribers and patients. The privately held company has raised a total Series A financing of \$42 million. For more information, visit www.flexiontherapeutics.com

About Pfizer Venture Investments

Pfizer Venture Investments (PVI), the venture capital arm of Pfizer Inc., was founded in 2004 and invests for return in areas of current or future strategic interest to Pfizer. As part of the Worldwide Business Development, Strategy, and Innovation division, PVI seeks to remain at the forefront of life science advances, looking to identify and invest in emerging companies that are developing compounds and technologies that have the potential to enhance Pfizer’s pipeline and shape the future of the pharmaceutical industry. PVI invests in companies at any stage of development, with a strong focus on growth stage opportunities and is actively seeking to make new investments in a broad array of healthcare related areas, including therapeutics, platform technologies, diagnostics, drug delivery, pharmaceutical services, healthcare IT, and other technologies impacting drug discovery and development.

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