

Press Release

Cytochroma Raises \$6.5 Million In Third Round Of Series B Financing.

\$22 Million Raised In Total Since The Fall Of 2001.

MARKHAM, Ontario, Canada – December 4, 2002 - Cytochroma Inc. announced today that the Company has raised an additional Cdn\$6.5 million in its recent private equity financing bringing the total raised through its Series “B” financing to Cdn\$22 million. Vengrowth Capital Partners, through The VenGrowth Advanced Life Sciences Fund Inc., joins other leading Canadian and Danish investors in the company. The additional funds will be used by Cytochroma to advance several promising small molecule therapeutics for dermatology and oncology towards human clinical trials.

"This financing from a new investor and in a difficult environment highlights the strong potential of our drug discovery and development approach, " stated Dr. Robert Foldes, President and CEO of Cytochroma. "Cytochroma has a single minded focus on exploiting cytochrome P450 enzymes as drug discovery targets. This has resulted in the creation of a tremendous level of expertise in the company which allows rapid progress from gene discovery to lead compound optimization."

Dr. Luc Marengère, a VenGrowth General Partner and Lead Manager for the VenGrowth Advanced Life Sciences Fund also joins Cytochroma’s board of directors. "Cytochroma's novel technology platform puts it among the world's leaders in cytochrome P450-based therapeutics. The company is backed by internationally recognized researchers and medical scientists and in a relatively short period of time has developed a solid reputation for excellence," emphasized Dr. Marengère.

Through a research, development and license agreement with Allergan, Inc. (NYSE: AGN), Cytochroma has collaborated in the discovery of a small library of retinoic acid metabolism inhibitors. The partnership, initiated in June 1999, exploits Cytochroma’s proprietary position on two key cytochrome P450 enzymes responsible for the breakdown of retinoic acid in humans, CYP26A and CYP26B. Several CYP26 inhibitors have shown promising results and are poised to enter pre-IND studies for dermatology indications such as acne and photo-aging. Cytochroma and Allergan are also continuing to pursue potential applications of CYP26 inhibitors in cancer.

In addition, Cytochroma, through a research and license agreement with Johns Hopkins University, has discovered specific and potent CYP24 inhibitors, which prevent the rapid breakdown of the active form of vitamin D, calcitriol, within target cells. Several of these CYP24

inhibitors are at least as potent as calcitriol in research models yet they do not elicit hypercalcemia, a potentially life-threatening side-effect of calcitriol therapy. Cytochroma expects to advance one CYP24 inhibitor towards pre-IND studies for psoriasis before the end of 2003. It is also continuing to evaluate several CYP24 inhibitors in animal models of cancer.

Cytochroma has recently relocated to a leased single tenant facility just outside Toronto, in Markham, Ontario. This state-of-the-art facility provides considerable flexibility for the diverse scientific pursuits within the company, while allowing for growth anticipated over the next several years. "Cytochroma's scientific staff are thrilled to be working in an environment specifically designed for their unique needs " indicated Dr. Bozena Korczak, Cytochroma's Vice President of Research & Development. "We are looking forward to many years of success in discovery and clinical research. "

Cytochroma Inc. is an applied genomics and drug discovery company. It is a world leader in the discovery of cytochrome P450 genes, the identification of the function of the proteins encoded by those genes, and the discovery of highly potent and specific drugs regulating cytochrome P450 enzymes to address unmet medical needs. To date, Cytochroma's drug discovery program has identified modulators of retinoic acid and calcitriol metabolism as drug candidates for the treatment of skin diseases and cancer. For more information, please visit www.cytochroma.com.

VenGrowth Capital Partners, with over \$1 billion in assets under management is a Tier One Canadian venture capital management group, widely known and respected in the industry. Since it began operations in 1982, VenGrowth's accomplished team of seasoned venture capitalists has invested over \$722 million in more than 130 companies. These investments have been made on behalf of over 150,000 investors including leading pension funds, insurance companies, family foundations, and individual investors. Investee companies benefit from VenGrowth's substantial experience, resources, and hands-on investment style. VenGrowth's offices are located in Toronto (Corporate Headquarters), Ottawa and Boston, Massachusetts. For more information, please visit www.vengrowth.com.

