



Arcarios supported by Agentschap NL to accelerate the development of its disease modifying osteoarthritis drug

Rotterdam, December 8, 2011 - Arcarios, a drug development company focusing on bone and joint diseases, announced today that it has received the first tranche of a € 4.5 million loan from Agentschap NL to develop its lead program ARC-118 for the treatment of osteoarthritis.

The first tranche of the Innovation Credit loan covers a period until mid 2012 during which Arcarios expects to obtain regulatory approval to start a Phase I/IIa clinical trial. In this case Arcarios becomes eligible to receive an additional tranche of the Innovation Credit loan to execute two clinical programs with ARC-118.

Tolleiv Trimborn, CEO of Arcarios comments: "We are very happy with the support of Agentschap NL. The Innovation Credit loan will be used to bring ARC-118 into clinical development and through proof-of-concept studies in humans. The unique properties of ARC-118 could bring an answer to the unmet need of patients suffering from osteoarthritis".

About Arcarios

Arcarios is a drug company dedicated to the discovery and development of innovative products targeting bone and joint diseases of unmet medical need with significant commercial potential. The Company combines Benelux' best science in the field of bone and joint biology with drug development expertise to bring programs to human proof of concept stage. Two proprietary technology platforms, ChondroBOOST and OsteoBLAST, form the basis for the Company's drug development pipeline. Currently, Arcarios has one program in early-development stage (ARC-118 for osteoarthritis), one pre-clinical program (ARC-205 for cancer treatment-induced osteoporosis) and a late-discovery stage program (TGF- β modulators that promote cartilage formation in osteoarthritis).

Arcarios was incorporated mid 2010 as a spin-off from Tigenix (BE) with a seed investment of €4 mln by an international syndicate of investors including Biogeneration ventures, Crédit Agricole Private Equity, LRM, Baekeland, Erasmus Biomedical Fund, Gemma Frisius Fund and VINNOF. Arcarios has offices in Rotterdam (NL) and Diepenbeek (BE).

About Agentschap NL and Innovation Credit

The Innovation Credit is a risk-bearing loan from the Ministry of Economic Affairs, Agriculture and Innovation, which is handled by Agency NL. The Innovation Credit finances up to 35% of the development of a new technical product, process or service. Also the development of medical products, which require (a) clinical trial(s), can be supported. For this scheme, only projects that are technologically innovative and have an excellent commercial perspective will be considered. More information: <http://www.innovatiekrediet.nl>, or call +31 88 602 5420.

About ARC-118

ARC-118, Arcarios' lead program, is a polysulfated sugar with dual activity combining cartilage rebuilding and anti-inflammatory properties, which is unique for an osteoarthritis product. This profile of ARC-118 was confirmed in a number of validated pre-clinical *in vitro* and *in vivo* experiments. Pre-clinical safety studies, pharmacokinetic and –dynamic studies and formulation work are now in progress.

For more information, please contact:

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