



Arcarios NV receives IWT grant to accelerate the development of drugs that promote bone growth

Diepenbeek, November 16, 2011 - Arcarios, a drug development company focusing on bone and joint diseases, announced today that it has received a grant of €920K from the Flemish Agency for Innovation by Science and Technology (IWT) to develop modulators of the TGF- β superfamily of drug targets.

The grant will initially cover a period of 18 months and supports two of Arcarios' programs: ARC-205 for cancer treatment-induced osteoporosis, and its next-generation TGF- β modulator that promotes cartilage formation in osteoarthritis.

The work will be performed in close collaboration with a group of renowned scientists in the field of anabolic bone growth: Prof. Peter ten Dijke (Leiden UMC, The Netherlands), Prof. Hans van Leeuwen (Erasmus MC, The Netherlands), Prof. Rik Lories and Prof. Frank Luyten (both K.U. Leuven, Belgium).

In collaboration with its Project Partners, Arcarios expects to reach some major value inflection points:

- Finalize pre-clinical work on ARC-205;
- Develop a lead molecule from the TGF- β modulator program; and
- File new IP

Tolleiv Trimbom, CEO, is delighted with this IWT's support. "The acknowledgment by IWT attests to the high quality of Arcarios' underlying science, the credibility of the platform technologies, and our top-tier collaborations in the field of TGF- β science," said Trimbom. "With the support of IWT we will develop our lead molecules into exciting drug candidates with increased effectiveness and efficiency."

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) and a late-discovery stage program on TGF- β modulators.

Arcarios was incorporated mid 2010 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 IWT

The agency for Innovation by Science and Technology (abbreviated as IWT) was founded in 1991 by the Flemish Government to support technological innovation projects in Flanders. In 2010, IWT distributed a total of €260 million in subsidies for innovation projects to companies, organizations, and research and educational institutions in Flanders. In addition to financial support, IWT assists companies in myriad ways. For example, the IWT helps in identifying the right information or the right partners at home or abroad and provides assistance with the preparation of projects for European programs, and with technology transfer throughout Europe. IWT has an important mandate to promote close cooperation among all the actors involved in technological innovation in Flanders. IWT Monitoring & Analysis, M&A for short, monitors innovation and regularly publishes studies. For more information, please visit <http://www.iwt.be>

About Project Partners

Prof. Peter ten Dijke is a key opinion leader in the field of TGF- β signal transduction from Leiden UMC (The Netherlands). Rheumatologists Prof. Rik Lories and Prof. Frank Luyten are Research Professors at K.U. Leuven (Belgium) and experts in the field of chondrocyte biology, Wnt signaling and BMP signal transduction. Hans van Leeuwen is head of the Bone and Calcium Research group in the Erasmus MC Department of Internal Medicine (The Netherlands) and focuses at identifying risk factors and novel treatment modalities for skeletal disorders.

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