



Recently published data demonstrate sustained but reversible therapeutic efficacy of the TNF α Kinoid in a validated model of rheumatoid arthritis

Paris, January 21, 2010 -- Neovacs, a biotechnology company developing proprietary immunotherapies for autoimmune and chronic diseases, today announced that research recently published in *Arthritis Research & Therapy* has demonstrated the efficacy of the company's TNF α Kinoid in a transgenic mouse model of arthritis. The article is entitled "Active Immunization to tumor necrosis factor-alpha is effective in treating chronic established inflammatory disease: a long term study in a transgenic model of arthritis" and can be accessed at: <http://arthritis-research.com/content/11/6/R195>.

"The results achieved in this stringent therapeutic model further confirm the potential of the Kinoid active immunotherapy approach in severe autoimmune diseases", commented Guy-Charles de la Horie, Neovacs' CEO. "Further, the transient nature of the effect, and the absence of a booster response to TNF alone are both highly encouraging in terms of the practical controllability of the approach and are consistent with our clinical results to date".

In summary, the research demonstrates that:

- In mice with established arthritic disease, treatment with the TNF α Kinoid produces significant therapeutic benefit (when compared with control animals) at Week 27.
- The degree of clinical benefit is similar to that provided by infliximab (a passive antibody therapy).
- Both the clinical benefit and the presence of anti- TNF α antibodies to TNF α induced by administration of TNF α Kinoid are transient.
- Administration of a maintenance dose of TNF α Kinoid restores both clinical benefit and antibody levels.
- Administration of TNF α alone did not induce any recall immune response to TNF α in Kinoid-immunized mice. This means that endogenous expression of TNF α is not expected to act as a booster for antibody levels, an important consideration in the reversibility and controllability of Kinoid-based active immunotherapy.

Previously published research (PNAS 2006; 103; 51: 19442-47) demonstrated the efficacy of the TNF α Kinoid in preventing disease onset in arthritis-prone mice.

In December 2009, Neovacs announced that it was initiating a Phase II clinical study of TNF α Kinoid in rheumatoid arthritis patients who had failed treatment with a TNF inhibitor and had antibodies against the failed drug. A Phase I/II study in patients with active Crohn's disease is ongoing.

About TNF α -dependent autoimmune diseases

These diseases affect the bones and joints (rheumatoid arthritis, ankylosing spondylitis, psoriatic arthritis, etc.), the digestive tract (Crohn's disease and hemorrhagic rectocolitis) and the skin (psoriasis). In seven major developed countries alone (USA, Japan, the UK, Germany, France, Italy and Spain), there are 9.3 million people with bone and joint diseases, 2.1 million with digestive diseases and 16.5 million with psoriasis (Datamonitor, 2007).

About Neovacs

Neovacs is a biotechnology company focused on an active immunotherapy technology platform with applications in autoimmune diseases and other chronic conditions. It was founded as a spin-off from Pierre & Marie Curie University in Paris by Professor Daniel Zagury, MD, one of the world's leading immunologists. The key investors are Truffle Capital, Novartis Venture Fund and OTC Asset Management.

The company's lead immunotherapy program, TNF α Kinoid targeting TNF α -mediated autoimmune diseases, is undergoing a Phase I/II clinical trial in Crohn's disease patients, and a Phase II trial in rheumatoid arthritis patients. This clinical study is also the focus of a collaboration with the diagnostics company BMD, with the goal of developing theranostic tools for personalized care.

The company expects to initiate clinical trials of a second product candidate, IFN α Kinoid, an immunotherapy targeting interferon alpha (IFN α), in lupus patients in the first quarter of 2010. The company's R&D has generated a broad patent estate.

Disclaimer: drug development is an inherently uncertain and unpredictable process. Neovacs' statements regarding the future depend on research that has yet to be performed and on a number of other factors. As a consequence, the company's future performance and financial results may differ significantly from those currently forecast.

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