

FOR IMMEDIATE RELEASE

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Ario Pharma Ltd Founded to Develop Novel Therapeutics for Respiratory Indications

- **Developing best in class TRPV1 antagonist for treatment of cough**
- **Raised initial financing of £1.9 million (\$3.1 million)**
- **Phase 2 studies in cough will commence Q1, 2014**

Cambridge, UK, 11th December 2013: Ario Pharma Ltd, a new biopharmaceutical company, has been founded to develop innovative new approaches to treat respiratory disease. Based in Cambridge, UK, Ario Pharma is a spin out from Xention Pharma Ltd, a specialist ion channel R&D company. Ario Pharma announced today that it has successfully raised £1.9 million (\$3.1 million) from an international syndicate of New Science Ventures, Forbion Capital Partners and Seroba Kernel Life Sciences. The funding will be used to execute two separate Phase 2 trials for the Company's lead product, XEN-D0501, in chronic idiopathic cough and cough associated with chronic obstructive pulmonary disease (COPD). XEN-D0501 is a potential best in class, orally bioavailable inhibitor of TRPV1.

Ario Pharma expects to commence the Phase 2 trials in Q1 2014. XEN-D0501 has successfully completed multiple Phase 1 studies and has been shown to be safe and well tolerated. The Phase 2 trials will be randomized, double-blind, placebo-controlled cross-over studies and will use validated ambulatory cough monitoring technology developed by Dr. Jacky Smith from the University Hospital of South Manchester.

The Company's Scientific Advisory Board is comprised of world-renowned UK experts in respiratory disease including Professor Maria Belvisi and Dr Mark Birrell from the National Heart and Lung Institute, Imperial College London and Professor Dave Singh and Dr Jacky Smith from the University of Manchester and University Hospital of South Manchester.

Dr John Ford, CEO of Ario Pharma, commented: "Cough is one of the most common symptoms for which patients seek medical care, and yet current medications are either poorly effective or have serious side effects. There is growing evidence for the involvement of TRP channels in driving cough reflex hypersensitivity and inflammatory responses in diseases associated with cough. We are therefore delighted to have secured investment to fund multiple Phase 2 trials that will evaluate the efficacy of XEN-D0501. We plan to build on the emerging role of TRPV1 in other respiratory diseases and to initiate discovery projects against other TRP channels that play a role in respiratory disease".

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Notes to Editors:

Media contacts:

Dr John Ford, CEO, Ario Pharma Ltd.

e-mail: john.ford@ariopharma.co

Tel: +44 (0)1223 493922

Lorna Cuddon, Zyme Communications Ltd.

e-mail: lorna.cuddon@zymecommunications.com

Tel: +44 (0)7811 996942

Cough as a new medical indication

Causes of cough include recent upper airway infections such as the common cold and influenza, asthma, lung infections, or are related to diseases like chronic obstructive pulmonary disease, gastroesophageal reflux disease, cigarette smoking, exposure to air pollutants and taking certain medications such as ACE inhibitors. Chronic cough, which is defined as a cough lasting more than 8 weeks, affects 14-23% of the population and may have a substantial impact on quality of life (French et al. 1998).

About XEN-D0501

XEN-D0501 is a Phase 2 ready drug that inhibits TRPV1, an ion channel known to play a pivotal role in controlling airway vagal sensory nerve activation and the cough reflex. In preclinical studies, XEN-D0501 suppressed ex vivo vagal nerve firing in response to tussive agents and completely abolished cough counts in animal models. There is substantial published clinical evidence for the role of TRPV1 in the pathogenesis of cough, which suggests that TRPV1 antagonists could inhibit chronic cough in both idiopathic cough and COPD cough (Khalid et al. 2011). XEN-D0501 has demonstrated good oral bioavailability and appropriate pharmacokinetics and been remarkably well tolerated in both healthy volunteers (Round et al. 2011) and patients.

References:

French CL, Irwin RS, Curley FJ, Krikorian CJ. Impact of chronic cough on quality of life. Arch Intern Med 1998;158(15):1657-61

Round P, Priestley A, Robinson J. An investigation of the safety and pharmacokinetics of the novel TRPV1 antagonist XEN-D0501 in healthy subjects. Br J Clin Pharmacol. 2011;72(6):921-31.

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About Ario Pharma

Ario Pharma Ltd focusses on the development of drugs for the treatment of respiratory indications. Ario is about to evaluate the anti-tussive properties of XEN-D0501, a potential best-in-class TRPV1 inhibitor, in two Phase 2 clinical trials that will read out in 2014. The company is managed by a highly experienced development team and supported by world-renowned KOLs in respiratory disease. For more information see www.ariopharma.com