

TRACON Pharmaceuticals announces \$22 million tranching investment led by JAFCO and Nextech to fund TRC105 Phase 2 development

April 20, 2011 2:39 PM ET

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Two prominent medical oncologists appointed to TRACON Scientific Advisory Board

San Diego, CA – April 20 2011 –TRACON Pharmaceuticals, Inc., a privately held biopharmaceutical company focused on the development of cancer therapeutics, announced the successful 1st tranche closing of a \$14 million private venture round from new investors. The financing was led by JAFCO and Nextech Invest who were joined by Arcus Ventures and BHP. Existing investor Brookline Investments also participated. Kenji Harada, PhD. and Hironori Hozoji at JAFCO, and Myoung-Ok Kwon, PhD, Managing Partner at Nextech Invest, will join TRACON's board of directors.

Proceeds from the financing will advance the development of the antibody TRC105, an inhibitor of angiogenesis that is being developed in multiple Phase 1b and Phase 2 indications, that are supported by the National Cancer Institute, including ongoing trials in prostate, bladder and liver cancer. TRACON expects to deliver data from 11 trials during the funding period.

William G. Kaelin MD, Professor of Medicine, Harvard Medical School, USA and member of the board of scientific advisors of the National Cancer Institute, and Charles L. Sawyers MD, chair of the Human Oncology and Pathogenesis Program affiliated with the Memorial Sloan-Kettering Cancer Center, will join TRACON's scientific advisory board.

"We are pleased to receive added support from a group of new investors focused on oncology development as well as the continued support of existing investors," stated Dr. Charles Theuer, President and CEO of TRACON. "This financing allows us to build upon promising Phase 1 results with TRC105 and deliver multiple Phase 2 endpoints" he added.

"We are pleased to fund Phase 2 development of TRC105 across multiple cancer indications which is targeted to CD-105, a novel tumor vasculature target, as monotherapy and in combination with VEGF inhibitors as well as chemotherapy," noted Kenji Harada, Senior Manager at JAFCO.

"We are delighted to support TRACON's effort to develop an antibody therapy in cancer with a new mode of action in angiogenesis. We have been in contact with the company for the last 3 years and are very excited to work with such an experienced clinical development team" said Myoung-Ok Kwon, PhD., Managing Partner at Nextech Invest Ltd.

About TRACON Pharmaceuticals

TRACON Pharmaceuticals (www.traconpharma.com) is a privately held biopharmaceutical company focused on the development of products for the treatment of cancer and related diseases. TRACON addresses unmet needs with product candidates that will complement existing therapies. The company's product candidates each target novel disease pathways. TRC105 is an antibody that binds CD105 to inhibit angiogenesis in the tumor vasculature. TRC105 is also being developed to treat AMD. TRC102 is a small molecule that reverses resistance to chemotherapeutics.

about JAFCO

JAFCO Co. Ltd., listed on the first section of the Tokyo Stock Exchange, is a Tokyo-based private equity company that operates investment partnerships on a global basis. Founded in 1973, JAFCO has managed a cumulative total of over 90 investment funds through its offices in Japan, the US, China, South Korea, Taiwan and Singapore. Over 870 portfolio companies have made IPO. JAFCO's life-science investments in the US focus on biopharmaceutical ventures and create significant value for portfolio companies by facilitating alliances in Japan and Asia with JAFCO's extensive worldwide network of leading pharmaceutical companies. For further information, visit www.jafco.co.jp/eng/home/index.html.

about Nextech Invest:

Nextech Invest is a global investment manager founded 1998 and located in Zurich, Switzerland. With its unique oncology-focused funds, Nextech Invest is a dedicated investor in leading oncology companies developing cancer drugs. Nextech Invest benefits from the support of an active and committed Scientific Advisory Board of highly influential oncology advisors, chaired By David Livingston, MD, deputy director at the Dana-Farber Cancer Institute/Harvard Cancer Center. For more information, visit www.nextechventure.com.

about Arcus Ventures:

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Arcus Ventures (AV), located in New York City, consists of a team of professionals with experience in clinical and academic medicine, drug development, hospital management, healthcare industry consulting and private equity. AV is dedicated to investing in oncology focused companies with innovative biopharmaceuticals and or new drug delivery platforms in development, unique devices, diagnostics and service companies.

about BHP

BHP is a uniquely-positioned venture capital firm focused to invest in the biotechnology and healthcare sector in the Asia-Pacific region. After its incorporation in Tokyo in 2000, BHP has build up its wide access to the sector knowledge within Japanese biotechnology and pharmaceutical industries and research institutions. Besides providing financial support in form of private equity, BHP has in-depth capability of providing proactive advice and support to portfolio companies. For more information, visit www.bhp-i.com.

about Brookline Investments

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Brookline Investments, LLC is a boutique investment advisory based in Birmingham, AL. Brookline advises on biotech investments and traditional stock and bond portfolios. Brookline was founded in the early 1990's by J. Rainer Twiford, who has been a member of the TRACON Board of Directors since 2007.

TRACON Pharmaceuticals Contact:

Delia Alvarez, (858) 550-0780 ext. 232, info@traconpharma.com