Developing a game-changing drug platform in autoimmunity
KPI Therapeutics® is a unique biotechnology company located in Seattle, founded in 2013

Leverages Leading Development Partners:

- LIFE CHEMICALS
  Chemical contract research organization

- KINETA
  Translational Clinical Drug Development

- MME
  Market access strategies for biopharma

- MPI RESEARCH
  Bioanalytical and toxicology research

- chimera biotec
  ultra sensitive immunoassays
Safe Harbor

This document contains certain forward-looking statements, including without limitation statements regarding KPI’s plans for future research and development activities. You are cautioned that such forward-looking statements are not guarantees of future performance and involve risks and uncertainties inherent to KPI’s business which could significantly affect expected results, including without limitation progress of drug development, ability to raise capital to fund drug development, clinical testing and regulatory approval, developments in raw material and personnel costs, and legislative, fiscal, and other regulatory measures. All forward-looking statements are qualified in their entirety by this cautionary statement, and KPI undertakes no obligation to revise or update any forward-looking statement to reflect events or circumstances after the issuance of this presentation.
Major Need and Opportunity in Autoimmunity

- Autoimmune diseases affect about 1 in 10 Americans
- Over 80 disease areas impacting all parts of body
- Many patients unserved or dependent on older drugs, particularly in orphan indications
- Clinicians & patients want new MOAs
- Today’s most effective treatments are immune suppressing with serious adverse events (e.g. fatal infections & cancers)

Unquestionable need for new, broadly acting mechanisms presents major opportunity

Selected Diseases | US prevalence
---|---
Atopic Dermatitis | 15,500,000
Psoriasis | 7,850,000
Type 1 Diabetes | 2,600,000
Rheumatoid Arthritis | 1,700,000
Ulcerative Colitis | 630,000
Crohn's | 600,000
Uveitis | 360,000
Ankylosing Spondylitis | 310,000
Multiple Sclerosis | 286,000
Lupus | 265,000
Sarcoidosis | 115,000
Vasculitis | 53,000
ANCA | 36,000
Myopathies | 12,000
Neuromyelitis Optica | 10,000

Sources: GlobalData, Guthy-Jackson Foundation, NIH, KPI internal analysis
KPI Therapeutics Inc.

- Validated new autoimmune platform with broad applicability and breakthrough potential
  - Phase 2 ready lead - **Dalazatide**
  - Novel, **Kv1.3 target** of high industry interest
  - Our team first to validate clinically
  - **Broad efficacy**, but more targeted mechanism
  - **Immune sparing** with more promising safety profile
  - Potential to address many high-need therapeutic areas from large to ultra-orphan

- **Lean Business Model**: Predominantly virtual, cost efficient development leverages alliance partners’ capabilities and experience; Dev partners are investors in the company

- **Experienced Management Team**: Industry veterans and serial entrepreneurs with significant domain and therapeutic experience
### Experienced Team of Industry and Scientific Veterans

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
<th>Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chuck Magness, PhD</td>
<td>Chief Executive Officer</td>
<td>Serial Entrepreneur: KPI Principal Founder; Kineta Co-Founder; Co-founded/Sold Illumigen Biosciences; Human Genome Project</td>
</tr>
<tr>
<td>Craig W Philips MBA</td>
<td>Chief Operating Officer</td>
<td>Extensive operational experience with large and small pharma including President CTI Biopharma, VP and GM of Bayer Oncology, Berlex Oncology, and Schering Plough; Bristol Myers</td>
</tr>
<tr>
<td>Blake Ilstrup, JD</td>
<td>General Counsel and EVP</td>
<td>100s of transactions with Cooley and Venture Law Group. Former General Counsel of Qpass and Kineta</td>
</tr>
<tr>
<td>Gary Gentges</td>
<td>VP Corporate Development</td>
<td>Serial entrepreneur in corp. finance/development. Led Cisco sales engineering for western US/Canada and Latin/So America</td>
</tr>
<tr>
<td>Dan Burge MD</td>
<td>Clinical Head</td>
<td>Former practicing rheumatologist. CMO for Trubion. Extensive clinical development with Amgen/Immunex on ENBREL®</td>
</tr>
<tr>
<td>Don Schlosser, MBA</td>
<td>Finance</td>
<td>25+ years in Finance, strategy, M&amp;A, Corp Dev. CFO for growth stage tech &amp; media co.s (Varolii, ConneXt, GlobalTel). IPO prep</td>
</tr>
<tr>
<td>Raj Dua</td>
<td>Manufacturing</td>
<td>&gt;20 years CMC, Mfg experience, process development and drug supply with Resolve, Alder, Trubion, Xcyte. Numerous patents</td>
</tr>
<tr>
<td>Dan Eramian</td>
<td>Corporate Communications</td>
<td>Pharma industry veteran having served as the first VP of communications for BIO; formerly with US DOJ</td>
</tr>
<tr>
<td>Jeff Fellows</td>
<td>Regulatory Affairs</td>
<td>Comprehensive regulatory experience in US / EMA. Former Amgen Global Regulatory Team Leader; previously with CTI, NeoRx, Synergen, and others</td>
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Enbrel is a registered trademark of Amgen Inc.
### Target Funding Aimed at Rapidly Developing Multi-Blockbuster Pipeline for Multiple, Varied Markets

<table>
<thead>
<tr>
<th>Platform</th>
<th>Therapeutic Area</th>
<th>Indications</th>
<th>Discovery</th>
<th>Pre-clinical</th>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
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<tbody>
<tr>
<td>Autoimmune</td>
<td>Systemic</td>
<td>Lupus, Psoriasis, UC, Myopathies, T-cell Blood/Lymph</td>
<td>DALAZATIDE**</td>
<td>KPI-150</td>
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<tr>
<td>Kv1.3 Inhibitor</td>
<td>Dermatology</td>
<td>Atopic Dermatitis</td>
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<td></td>
<td>Ophthalmology</td>
<td>Uveitis</td>
<td>KPI-190</td>
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**Pipeline addresses a total annual market of greater than $80 B**

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Multiple product and partnering opportunities are paths to significant investor return

* Jointly developed by KPI Therapeutics Inc. and its sister corporation Kineta Inc.
** Source: Globaldata 2015
KPI is Addressing Autoimmunity with its Patent-Protected* Platform

- **Dalazatide**
  - **Subcutaneous Injectable Pen & Depot**
  - **Systemic Autoimmune Diseases**

- **KPI-150**
  - **Topical Cream**
  - **Atopic Dermatitis**

- **KPI-190**
  - **Ophthalmic Drops**
  - **Uveitis/Dry Eye**

*US & International Patents; US coverage into 2030s
Dalazatide is jointly developed by KPI Therapeutics Inc. and its sister corporation Kineta Inc.
# Lead Platform Drug – Dalazatide

*First in class Kv1.3 inhibitor for autoimmune diseases*

## Status
- Phase 2 ready with open IND
- Broad biomarker activity consistent with MOA
- POC validated in psoriasis patient trial

## Product / CMC
- Highly potent & specific peptide blocker of Kv1.3
- Robust issued IP with comp of matter
- Excellent drug-like props & product stability
- Ready to use syringe for Ph2; Oral & depot formulations in development
- Low COGs

## Market Opportunity
- Years ahead of potential competition
- Broad efficacy with breakthrough potential
- Positioning:
  - First-in-class, novel Kv1.3 MOA
  - Broader patient applicability
  - Low adverse event profile
  - Devoid of generalized immune suppression seen with biologics
  - No evidence for impact on cancer rates
  - Life cycle management underway

Rare opportunity for major advances across multiple disease spaces
Dalazatide Mechanism Validated in Psoriasis Trial

1. Blockade of Kv1.3 Channels on Effector Memory T Cells ($T_{EM}$)
2. Decrease in $T_{EM}$ Activation Markers and Inflammatory Cytokines
3. Improvement in Target Lesion After Only 4 Weeks

![Graph showing changes in $T_{EM}$ Activation Markers and Cytokines](image)

Baseline vs. Day 32 for Patient 03-007, 30mcg

Dalazatide achieved its primary safety endpoints in the psoriasis trial and characterized biomarkers demonstrating target relevance in treating autoimmune diseases.
A Topical Cream Therapy Seeking to Provide Skin Relief to Millions of Underserved Patients

KPI – 150: Atopic Dermatitis
# KPI-150 – Atopic Dermatitis

*Novel topical cream Kv 1.3 inhibitor*

## Status
- Formulation optimization/stability - Underway
- Human studies projected to begin early 2017
- FDA approval target -- 2020

## Market Opportunity
- US 2020 market >$3 billion
- Non-steroidal, immune sparing drug options are needed
- Positioning:
  - First-in-class, novel Kv1.3 MOA
  - Payback period <2 years
  - Devoid of generalized immune suppression seen with biologics
  - No evidence for impact on cancer rates
  - Life cycle management underway

## Product / CMC
- Highly potent & specific peptide blocker of Kv1.3
- Robust issued IP with comp of matter
- Topical cream formulation

Opportunity in large underserved market leveraging dalazatide validation
An Eye Drop Being Developed to Fight Uveitis, A Leading Cause of Blindness

KPI – 190:
Uveitis/Dry Eye Syndrome
**KPI-190 - Uveitis**

*Novel eye drop Kv1.3 inhibitor*

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<th>Status</th>
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<tr>
<td>• Eye drop formulation – Available</td>
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<td>• Stability - Ongoing</td>
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<tr>
<td>• Human studies expected to begin early 2017</td>
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<td>• FDA Approval Target -- 2020/2021</td>
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<td>• Few options in the market and pipeline</td>
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<td>• Currently a significant under-diagnosis of uveitis patients</td>
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<td>• Positioning:</td>
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**Distinct product opportunity leveraging dalazatide validation**
KPI Summary

• Game-changing, clinical stage, novel drug candidates in autoimmunity
• 18 month plan for multiple “IPO enabling” clinical milestones will drive KPI valuation
• Efficient development partnership network drives investor ROI
• Intermediate monetization and partnering opportunities

KPI has a unique blend of clinical stage assets with an emerging company investment return profile