



PRESS RELEASE

KPI Therapeutics Presents Updated, Positive Data Demonstrating Efficacy of KPI-150 Against Atopic Dermatitis

New data shows KPI 150's effective skin penetration

SEATTLE, April 27, 2017 – KPI Therapeutics Inc., a clinical stage biotechnology company today presented updated data demonstrating its KPI-150 drug has potential therapeutic benefit in atopic dermatitis and other dermatologic inflammatory diseases when administered topically in animal models. The new KPI-150 data also demonstrated for the first time effective skin penetration in the areas of inflammation. The results were announced at the Society for Investigative Dermatology 76th Annual Meeting in Portland, OR by KPI's Vice President, Scientific Affairs Dr. Chelsea Olsen.

KPI-150 is a potent and specific inhibitor of Kv1.3 potassium channels on activated effector memory T cells, which are key drivers of autoimmunity and are pathogenic in many autoimmune diseases. Inhibition of the Kv1.3 channels on these T cells has become an important strategy for treating autoimmune disorders. One key benefit of KPI-150 is that it blocks just a subset of T cells, leaving the rest of the immune system intact so that the body's normal infection fighting ability is maintained.

“In the updated data we are presenting here, topical administration of KPI-150 in an animal model of dermatitis demonstrated significant reduction in T-cell infiltration and inflammation along with reduction in ear thickness,” said Dr. Olsen. “Even in an unoptimized formulation, KPI-150 shows significant skin penetration and efficacy in this model supporting the development of this novel Kv1.3 inhibitor for inflammatory skin diseases including atopic dermatitis,” Dr. Olsen concluded.

Atopic Dermatitis is a chronic inflammatory autoimmune skin disease that affects over 15 million people in the USA alone. More than half of those patients are under the age of 20. The current treatment options such as moisturizers and corticosteroids only address the symptoms of the disease and stronger immunosuppressive drugs can have debilitating side effects.

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About KPI Therapeutics

KPI Therapeutics is a clinical stage biotechnology company, which develops first in class therapies for unmet medical needs in autoimmunity using its novel Kv1.3 channel blocker based platform. Its lead drug, dalazatide is being clinically advanced for Inclusion Body Myositis, (IBM) an orphan disease, and for lupus. Our autoimmune platform molecules are also being developed for new therapies to address atopic dermatitis and uveitis. For more information about KPI’s pipeline please visit our website: kpitherapeutics.com

About KPI-150, KPI-190, and dalazatide

KPI-150 is a novel Kv1.3 inhibitor from the same family of molecules in KPI Therapeutics’ autoimmune platform which includes KPI-190 and dalazatide. Preclinical and clinical data have shown that these drugs are selective and potent blockers of the voltage-gated Kv1.3 potassium channel - a key channel in the activation of effector-memory T cells. Effector memory T cells are implicated in the pathology of many autoimmune diseases. KPI-150 is in development for atopic dermatitis (also commonly referred to as eczema) a medical condition of the skin associated with severe itching, redness, scaling, and flaking. About half

of all atopic dermatitis sufferers are under the age of 18. In both children and in adults, this disease is associated with sleep disturbances, more days of lost work or school, and an adverse quality of life.

KPI-190 is also a novel Kv1.3 inhibitor in development as a therapy for eye diseases such dry eye syndrome and uveitis which can cause irreversible vision damage. Uveitis is one of the leading causes of blindness in the US and remains a significant unmet need. There are over 680,000 uveitis patients in the US with few treatment options. More than 13 million people a year in the US are affected by Dry Eye disease.

Dalazatide, is a potential new therapy for systemic autoimmune diseases. It has completed a Phase 1b clinical trial in plaque psoriasis. It has a novel mechanism of action (MOA) as in KPI-150 and KPI-190. Dalazatide was the first specific Kv1.3 inhibitor advanced into human clinical trials. It is Phase 2 ready. Dalazatide is being studied as a treatment for multiple autoimmune diseases including lupus, myositis, ANCA Vasculitis, multiple sclerosis, psoriasis, psoriatic arthritis, rheumatoid arthritis, type 1 diabetes, inflammatory bowel diseases, and asthma.

NOTICE: 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 press release.

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