PRESS RELEASE

KPI Therapeutics Presents New Dalazatide Data Again Demonstrating Positive Response in Lupus

Kv1.3 on T cells detected for the first time in urine of lupus patients

SEATTLE, May 22, 2017 – KPI Therapeutics Inc., a clinical stage biotechnology company presented new study data supporting the potential effectiveness of KPI's lead drug dalazatide in lupus. The results were presented this weekend at the American College of Rheumatology's Pediatric Rheumatology Symposium 2017 in Houston, TX. by study leader Dr. Anne Stevens, a researcher at the Seattle Children's Research Institute.

Lupus is an autoimmune disease which causes kidney inflammation and tissue damage. Effector memory T cells appear to play an important role in lupus by secreting inflammatory mediators (cytokines) that perpetuate inflammation. Dalazatide is a potent and specific inhibitor of Kv1.3 potassium channels on activated effector memory T cells. Inhibition of the Kv1.3 channels on these T cells has become an important strategy for treating autoimmune disorders. Dalazatide blocks just a subset of T cells, leaving the rest of the immune system intact.

In a previous study, Dr. Stevens showed that the T cells in the blood of lupus patients express higher levels of Kv1.3. Now for the first time the new data showed Kv1.3 on T cells in the urine of lupus patients.

"These white blood cells in the urine come directly from the kidneys, so this data further supports the premise that inflammatory cells in the kidney can be targeted by dalazatide. This could also be a method to help identify patients that may respond to dalazatide treatment," Dr. Stevens stated. "These findings also support further clinical advancement of dalazatide for the treatment of this disease for which current therapies are toxic and lead to global immune-suppression."

LINK TO ABSTRACT

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, an orphan disease as well as lupus. Our autoimmune platform molecules are also being developed for new therapies to address atopic dermatitis and uveitis. For more information about KPI please visit our website: kpitherapeutics.com

About Dalazatide

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) and was the first specific Kv1.3 inhibitor advanced into human clinical trials. It is Phase 2 ready. Dalazatide is being advanced and studied as a treatment for multiple autoimmune diseases including inclusion body myositis, lupus, 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 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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