

Press release

Panoptes Pharma successfully closed seed-financing round of EUR 1.2 million

Focus on development of small molecule drugs to treat severe eye diseases

Vienna, Austria, September 26, 2013: Panoptes Pharma Ges.m.b.H, a recently launched biotechnology company focused on developing small molecule based therapies for the treatment of severe eye diseases, today announced the successful completion of its seed financing round. The company received 1.2 million Euro from aws-Life Science Austria and private investors.

The development of Panoptes' clinical candidate PP-001 focuses on a new treatment for chronic uveitis, an inflammatory orphan disease which is one of the major causes of blindness. As a second indication, adenoviral conjunctivitis will be pursued, a highly contagious disease for which to date, no treatment is available. Due to its unique mode of action, PP-001 has therapeutic potential for additional inflammatory and viral indications.

Panoptes Pharma was founded in July 2013 by an experienced team of development experts with a proven track record of developing and commercializing innovative products. "This seed financing enables us to build-up our company. With our clear focus on best in class technology in combination with a cost-efficient development strategy we intend to ensure a rapid and more predictable path to commercialization, and hence make needed therapies available to more patients," explained Panoptes' co-founder and CEO Franz Obermayr.

Panoptes development activities are based on the acquisition of patent rights for its clinical candidate PP-001 from the drug discovery company 4SC Discovery GmbH.

"After intensive due diligence and negotiations we were able to acquire the patent rights on PP-001 from 4SC Discovery. PP-001 has fantastic properties modulating the molecular causes of diseases like uveitis and viral conjunctivitis for which no adequate treatments are available. I am looking forward to moving this molecule into clinical development to significantly improve patients' quality of life" said Panoptes' co-founder and COO Stefan Sperl.

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About PP-001

PP-001 is the result of an extensive medicinal-chemical lead optimization program and was chosen for further development based on target efficacy and pharmacokinetic properties.

PP-001 is a highly specific best in class nanomolar inhibitor of an essential enzyme of the *de novo* pyrimidine pathway leading to inhibition of expression of IFN- γ and IL-17, two hallmark

cytokines of Th1 and Th17 cells pathogenic for autoimmune uveitis and other inflammatory diseases. Since PP-001 inhibits the *de novo* pyrimidine pathway the host cell pyrimidine pool is also reduced leading to inhibition of replication of various herpetic and adenovirus serotypes implicated in infectious uveitis and adenoviral conjunctivitis. PP-001, therefore has a dual mode of action ideally suited to inflammatory eye indications with viral involvement.

About Uveitis and Viral Conjunctivitis

Uveitis is an orphan, chronic and inflammatory disease of the eye affecting the uvea, the middle, pigmented layer of the eye. Apart from corticosteroids and immunosuppressives no treatment is currently available. Both classes of drugs are known to cause serious side effects when used for a prolonged time period, needed to treat chronic uveitis. Uveitis is one of the leading causes of blindness in the world and the fourth leading cause in the western world. Because of the low safety of the existing therapeutics there is a high unmet medical need for a new and safer class of drugs to treat uveitis.

Conjunctivitis (often called “pink eye”) is an inflammation of the conjunctiva, which is the mucous membrane covering the white part of the eye and the inner side of the eyelid. The most common form of conjunctivitis is caused by adenoviral infection. This type of conjunctivitis is often epidemic and may also spread to affect the cornea (keratitis). It may persist for several weeks and cause hazy vision. The latest outbreak of adenoviral conjunctivitis in northern Germany was in December 2012. Symptoms of EKC include acute onset of watering redness, foreign body sensation and severe pain, diminished eye sight, and sensitivity to light. Millions of patients suffer from viral conjunctivitis and no antiviral treatment is available so far.

About Panoptes

Panoptes is a privately held biotech company focused on developing small molecule based therapies for the treatment of severe eye diseases with high unmet medical need. The development of Panoptes’ clinical candidate PP-001 focuses on a new treatment for orphan autoimmune uveitis, a disease which is one of the major causes of blindness. As a second indication, adenoviral conjunctivitis will be pursued, a disease for which to date, no treatment is available. Due to its unique mode of action, PP-001 has therapeutic potential for additional inflammatory and viral indications.

About 4SC Discovery GmbH

4SC Discovery GmbH, a wholly-owned subsidiary of 4SC AG, Martinsried/Germany, specialises in the early-stage research and discovery of novel therapeutic compounds against cancer and autoimmune diseases. 4SC Discovery engages in partnerships with pharmaceutical and biotech companies in order to advance the development and commercialisation of its own therapeutic programmes. In addition, as a drug discovery service provider 4SC Discovery offers its expertise via research collaborations to companies from the pharmaceutical and biotech industry.

About aws Life Science Austria

Focusing on start-up ideas in biotechnology and medical devices, aws Life Science Austria (LISA) provides financial support through two custom-designed funding programs: LISA PreSeed and LISA Seed financing. LISA PreSeed provides funding for the critical phase before a life science company is actually set up. Costs relating to the implementation of the science and the development of a business plan for a project can be funded with non-refundable awards of up to € 200,000. LISA Seed financing supports the start-up phase by providing up to € 1 million, combined with business advice. This Seedfinancing is then refunded when the company is making a profit or is sold.

Cautionary statement regarding forward-looking statements

This press release contains certain forward-looking statements. Any forward-looking statement applies only on the date of this press release. By their nature, forward-looking statements are subject to a number of known and unknown risks and uncertainties that may or may not occur in the future and as a result of which the actual results and performance may differ substantially from the expected future results or performance expressed or implied in the forward looking statements. No warranties or representations are made as to the accuracy, achievement or reasonableness of such statements, estimates or projections, and Panoptes Pharma Ges.m.b.H. has no obligation to update any such information or to correct any inaccuracies herein or omission herefrom which may become apparent.

For further information please visit www.panoptes-pharma.com

Contact

Panoptes Pharma

Dr. Franz Obermayr
Chief Executive Officer

t: +43 676 6647510

e: info@panoptes-pharma.com