Spyryx Biosciences Secures $18 Million in Series A Financing

- ***Funding to Develop Novel Therapeutics for Respiratory Diseases***
- ***Venture Syndicate has Strong Respiratory Expertise***

Research Triangle Park, NC, May 7, 2015 – Spyryx Biosciences, Inc., a privately-held biopharmaceutical company developing novel therapeutics for respiratory diseases, including cystic fibrosis (CF) and chronic obstructive pulmonary disorder (COPD), announced today that it has secured $18 million in Series A venture capital financing from Canaan Partners, Hatteras Venture Partners and 5AM Ventures. As part of the transaction, Spyryx announced that Tim Shannon, MD, general partner of Canaan, has joined the Board of Directors as Chairman, and that Christy Shaffer, PhD, managing director of Hatteras Discovery at Hatteras, and Brian Daniels, MD, venture partner of 5AM have taken Board seats.

"We are excited to have raised this robust Series A funding and to have gained the support of world-class investment funds such as Canaan, Hatteras and 5AM. The financial strength this money brings to the Company and the significant expertise each of these funds has in pulmonary drug development ideally positions Spyryx to rapidly advance our CF therapeutic into clinical development and to explore the potential for treating COPD," said John Taylor, President and CEO of Spyryx. "I would like to thank our departing board member, Dr. Don Rose, and his team at UNC's Carolina KickStart for their efforts in founding and nurturing Spyryx to this point. I welcome our new board members to the Spyryx team and look forward to working closely with Dr. Shannon, Dr. Shaffer and Dr. Daniels to achieve our mission of delivering disease-modifying therapies for devastating pulmonary diseases."

Spyryx was formed in 2013 to leverage a discovery by Dr. Robert Tarran at the University of North Carolina at Chapel Hill that pharmaceutically modulates a previously unknown mechanism used by the lung to regulate fluid in the airways via the epithelial sodium channel (ENaC). This mechanism is dysfunctional in the lungs of CF patients and is thought to be an underlying cause of the progressive dehydration of the airway surface liquid, which leads to the pulmonary symptoms of CF: mucus accumulation, chronic bacterial colonization, immune response and tissue scarring, loss of lung function, and often early death. Dr. Tarran's data suggests this mechanism may have utility in COPD and other obstructive lung diseases, as well.

Spyryx' founder, Dr. Tarran commented, "Currently, there is no cure for CF or COPD. We hope that we can use this funding to translate our laboratory findings into treatments for both of these diseases. We gratefully acknowledge key funding from the NIH and the North Carolina Biotechnology Center, which has enabled us to get to this point."

"Significant recent progress has been made in developing treatments for cystic fibrosis, but there is still a lot of unmet need in this disease," said Dr. Shannon. "Dr. Tarran and the team at Spyryx have developed strong data supporting their novel approach for restoring a normal mechanism for fluid regulation, and because it has the potential to treat all CF patients, it was a very compelling investment opportunity. We believe the Company has a strong future ahead as it moves toward clinical validation of this therapeutic approach in a truly devastating genetic disease like CF, and perhaps beyond."

About Spyryx Biosciences

Spyryx Biosciences is developing inhaled therapeutics designed to restore a natural mechanism for maintaining proper airway liquid volumes in the lung. The Company's development efforts are based on recent discoveries in the laboratory of Dr. Robert Tarran at UNC-Chapel Hill, who has demonstrated the connection between a regulatory protein in the lung, called SPLUNC1, and dysregulation of sodium absorption via the epithelial sodium channel (ENaC). The Company's products have been created to mimic the ENaC inhibitory effect of SPLUNC1, but with significantly enhanced potency and drug-like properties. Spyryx is currently in lead selection and expects to proceed rapidly to pre-IND activities for cystic fibrosis, their lead indication. Further information regarding Spyryx Biosciences is available at www.spyryxbio.com.

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