

## **Apellis Pharmaceuticals Raises \$33M to Fund its Complement Immunotherapy Programs.**

Crestwood, KY – December 2<sup>nd</sup> 2014 - Apellis Pharmaceuticals, Inc., a leading biotechnology company applying immunotherapy to autoimmune disease, today announced that it has completed a \$33M private placement of its Series C Preferred Stock. The financing was led by Morningside Ventures and AJU IB Investment Co., Ltd. with Epidarex Capital participating with follow-on funding. The proceeds will be used to fund three new complement immunotherapy programs entering clinical proof-of-concept stage.

The first indication is paroxysmal nocturnal hemoglobinuria (PNH), a rare disease of the bone marrow. Apellis' drug candidate APL-2, an inhibitor of complement component C3, is designed to provide PNH patients with an alternative to the current standard-of-care. In its second program, Apellis is testing whether APL-1, another inhibitor of complement component C3, can affect the underlying disease mechanism in COPD and slow down disease progression. Finally, Apellis' third program aims to reduce the growth of retinal lesions through the intravitreal injection of APL-2 in patients suffering from geographic atrophy, the advanced form of dry age-related macular degeneration (AMD), for which no treatments exist. All three complement immunotherapy programs focus on the potential of complement inhibition to correct pathogenic Th17 immune responses.

Cedric Francois, MD, PhD and CEO of Apellis commented "We are excited to test the immense potential of complement immunotherapy. Our clinical programs are designed to be implemented in short periods of development, with a robust regulatory strategy, innovative clinical designs and product profiles that could change the lives of millions of patients affected by auto-immunity." Apellis Chairman Gerald Chan, co-founder of Morningside, added, "Morningside was an early investor in cancer immunotherapy. Auto-immune conditions are the next frontier for immunotherapy. Rather than suppressing the immune system we should aim to correct its inappropriate behavior."

### **About Apellis**

Apellis is a clinical stage immunotherapy company and targets the complement pathways to correct auto-immune conditions. Apellis will seek to further explore the interface between complement and adaptive immunity in a range of indications, including paroxysmal nocturnal hemoglobinuria (PNH), chronic obstructive pulmonary disease (COPD) and AMD, as well as graft-versus-host disease (GvHD), ABO-incompatible transplantation, periodontitis and ischemia reperfusion injury. For additional information, please visit [www.apellis.com](http://www.apellis.com)

### **About APL-1**

APL-1 is a derivative of compstatin, a small peptide inhibitor of complement factor C3. APL-1 binds tightly to complement component C3, preventing the activation of all three major pathways of the complement system and effectively shutting down a process that

could otherwise lead to local inflammation, tissue damage and dysregulation of the adaptive immune system.

### **About APL-2**

APL-2 is a next-generation inhibitor of the class of compstatin derivatives with improved physicochemical properties. APL-2 is currently being tested in a number of Phase I clinical trials and has received Orphan Drug Designation from the FDA to treat PNH. APL-2 inhibits complement at the levels of complement factor C3, thus blocking all downstream effector pathways of the complement cascade.

### **About Paroxysmal Nocturnal Hemoglobinuria**

Paroxysmal nocturnal hemoglobinuria (PNH) is an acquired bone marrow disease characterized by complement-mediated red blood cell destruction and increased susceptibility to thrombotic episodes. It is a rare disease affecting approximately 5,000 Americans and is associated with high morbidity and mortality. The only currently approved pharmacological treatment for this severe disease is eculizumab (Soliris®) developed by Alexion Pharmaceuticals.

### **About Age-related Macular Degeneration**

Age-related macular degeneration (AMD) is the leading cause of severe vision loss in people over the age of 65 in the United States and other western countries. The advanced forms of AMD are classified into either choroidal neovascularization (neovascular or exudative AMD, called “wet” AMD) or dry AMD. Dry AMD is responsible for approximately 20% of all legal cases of blindness in North America. While there is treatment for wet AMD with anti-VEGF therapies such as ranibizumab (Lucentis®) and aflibercept (Eylea®), no therapy exists for dry AMD. Complement inhibition is the only mechanism known to slow the rate of progression of dry AMD, as shown by Genentech / Roche with lampalizumab in a Phase II clinical trial (MAHALO) published in 2013.

### **About Chronic Obstructive Pulmonary Disease**

Chronic Obstructive Pulmonary Disease (COPD) is a chronic disease of the lungs characterized by a progression and irreversible decrease of lung functions over time. COPD affects at least 12 million Americans and is the third leading cause of death in the United States. There is no cure for the disease and current treatments are only moderately effective at improving symptoms and the quality of life of COPD sufferers.

### **About Morningside Ventures**

Morningside Ventures is a diversified investment group founded in 1986 by the Chan family of Hong Kong. It is engaged primarily in private equity and venture capital investments. The group has investments in North America, Europe, across Asia-Pacific and in Mainland China. Its offices are located in Boston, Beijing, Shanghai and Hong Kong.

## **About AJU Life Sciences Overseas Expansion Platform Fund**

AJU Life Sciences Overseas Expansion Platform Fund is part of AJU IB Investment Co., Ltd., a leading venture capital firm headquartered in Seoul Korea with approximately USD \$1 billion in capital under management. AJU Life Sciences Overseas Expansion Platform Fund, which is represented by AJU IB Investment's US office in Boston, MA, invests exclusively in companies developing pioneering new therapies or medical technologies with an emphasis on platforms. For more details, visit [www.ajuib.com](http://www.ajuib.com).

## **About Epidarex Capital**

Epidarex Capital invests in early-stage, high growth life science and health technology companies in under-ventured markets within the US and UK. Epidarex was created to meet the need for more sector-specific risk capital for young companies, including spin-outs from leading research universities. The fund's international management team has a track record of successfully partnering with scientists and entrepreneurs to develop highly innovative products for the global healthcare market. For further information please visit [www.epidarex.com](http://www.epidarex.com)

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