



## Krystal Biotech Receives Equity-Based Award from EB Research Partnership and EB Medical Research Foundation

November 3, 2017

PITTSBURGH, Nov. 03, 2017 (GLOBE NEWSWIRE) -- Krystal Biotech, Inc. (Nasdaq:KRY5), a gene therapy company dedicated to developing and commercializing novel treatments for patients suffering from dermatological diseases, today announced that it has received an equity-based award totaling \$770,000 from the EB Research Partnership (EBRP) and the EB Medical Research Foundation (EBMRF). EBRP and EBMRF have provided this funding following a highly competitive application and screening process overseen by EBRP's Scientific Advisory Board (SAB), which is composed of leading scientists and physicians. The SAB recommends awards and grants to academic institutions and commercial parties based on its evaluation of the potential for development of commercially viable treatments and cures for epidermolysis bullosa (EB).

Under the terms of the award, EBRP and EBMRF will receive an aggregate of 70,000 shares of Krystal's common stock. The offer, sale, and issuance of the shares were made in a private placement transaction exempt from registration pursuant to Rule 506 of Regulation D and Section 4(a)(2) of the Securities Act of 1933, as amended. The shares are subject to certain restrictions on re-sale under Rule 144. EBRP and EBMRF have agreed to additional restrictions on the transfer of the shares for a 180-day period.

"We are looking forward to working with EBRP and EBMRF, two organizations spearheading the funding of cutting-edge research to treat and cure EB," said S. Krishnan, Chairman & CEO of Krystal Biotech. "Our lead product candidate KB103, based on our proprietary gene therapy platform, is designed to be an "off-the-shelf" topical product to treat dystrophic epidermolysis bullosa (DEB). We currently expect to file an Investigational New Drug Application (IND) in the U.S. in the first quarter of 2018."

"EB Research Partnership's venture philanthropy model is predicated on accelerating life-changing treatments to those who live with EB," said Alex Silver, Founder and Chairman of the EB Research Partnership. "In partnering with Krystal Biotech, EBRP is proud to have new forward-leaning collaborators who embrace our team-oriented approach to changing the course of EB forever. We are deeply appreciative of Krystal's commitment to healing EB."

"The EB Medical Research Foundation is thrilled to collaborate with Krystal Biotech on KB103, which we believe is a groundbreaking approach to developing a gene therapy treatment for dystrophic EB," said Paul Joseph, Chief Financial Officer of the EB Medical Research Foundation. "As committed supporters dedicated to transforming the course of this disease, our goal is to collaborate with fellow foundations and private industry to treat the root cause of DEB by correcting the disease at the source."

### **About Dystrophic Epidermolysis Bullosa**

Dystrophic Epidermolysis Bullosa, or DEB, is an incurable, often fatal skin blistering condition caused by a lack of collagen in the skin. It is caused by mutations in the gene coding for type VII collagen, or COL7, a major component of the anchoring fibrils which anchor the epidermis to the underlying dermis, and provide structural adhesion in a normal individual. The lack of COL7 in DEB patients causes blisters to occur in the dermis as a result of separation from the epidermis. This makes the skin incredibly fragile, leading to blistering or skin loss at the slightest friction or knock. It is progressive and incredibly painful.

The most severe form of DEB is recessive DEB, or RDEB, which is caused by null mutations in the COL7A1 gene. DEB also occurs in the form of dominant DEB, or DDEB, which is considered to be a milder form of DEB. There are no known treatments which affect the outcome of either form of the disease and the current standard of care for DEB patients is limited to palliative treatments. Krystal is developing KB-103 for the treatment of the broad DEB population, including both recessive and dominant forms of the disease.

### **About KB103**

KB103 is Krystal's lead product candidate, currently in preclinical development and seeks to use gene therapy to treat DEB. KB103 is a replication-defective, non-integrating viral vector that has been engineered employing Krystal's STAR-D platform to deliver functional human COL7A1 genes directly to the patients' dividing and non-dividing skin cells. HSV-1 is Krystal's replication-deficient, non-integrating viral vector that can penetrate skin cells more efficiently than other viral vectors. Its high payload capacity allows it to accommodate large or multiple genes and its low immunogenicity makes it a suitable choice for direct and repeat delivery to the skin.

### **About the EB Research Partnership**

EB Research Partnership (EBRP) is the largest nonprofit dedicated to funding medical research aimed at treating and curing EB. EBRP takes concepts from venture capital investing and applies them toward achieving philanthropic goals: when it takes a traditional donation to a research project, it retains the added upside of generating a recurring donation stream if the therapy or product is commercially successful. It then uses this revenue to fund additional EB research. To date, EBRP has raised more than \$15 million for research grants and has been instrumental in securing an additional \$35 million for critical EB research. For more information, refer to [www.ebresearch.org](http://www.ebresearch.org).

### **About the EB Medical Research Foundation (EBMRF):**

As the leader in research funding, the EBMRF is an all-volunteer, non-profit 501(c) Foundation dedicated to funding research for Epidermolysis Bullosa to determine its causes, develop successful treatments, and ultimately find a cure. The foundation's goal is to raise awareness through special events, the media and fundraising programs. For more information, please visit [www.ebmrf.org](http://www.ebmrf.org).

### **About Krystal Biotech**

Krystal Biotech, Inc. (NASDAQ:KRY5) is a gene therapy company dedicated to developing and commercializing novel treatments for patients suffering from dermatological diseases. For more information, please visit <http://www.krystalbio.com>.

### **Forward-Looking Statements**

This press release includes certain disclosures which contain "forward-looking statements," including, without limitation, statements regarding the anticipated timing for Krystal's filing of an IND and prospects for the development and potential efficacy of KB103. You can identify forward-looking statements because they contain words such as "believes" and "expects." Forward-looking statements are based on Krystal's current expectations and assumptions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that may differ materially from those contemplated by the forward-looking statements, which are neither statements of historical fact nor guarantees or assurances of future performance. Important factors that could cause actual results to differ materially from those in the forward-looking statements are set forth in Krystal's filings with the Securities and Exchange Commission, including its registration statement on Form S-1, as amended from time to time, under the caption "Risk Factors."

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Source: Krystal Biotech, Inc.