Patara Pharma Closes a $26 million Series A Financing and Initiates Phase II Clinical Trials to Evaluate PA101B for Refractory Chronic Cough and Indolent Systemic Mastocytosis

San Diego, Calif., October 12, 2015 – Patara Pharma, a clinical-stage biotechnology company developing treatments for debilitating allergic and inflammatory diseases and conditions, today announced the closing of a $26 million Series A preferred stock financing. Concurrent with the close of its sale of preferred stock, Patara also entered into a Loan and Security Agreement with Silicon Valley Bank whereby the Company may borrow up to $7 million. Patara will use the funds from the financing to evaluate its lead candidate, PA101B, in multiple indications, including for refractory chronic cough and indolent systemic mastocytosis.

"With these funds from the Series A financing, we can accelerate the evaluation of our lead candidate in multiple Phase II clinical trials," said Bill Gerhart, chairman and chief executive officer of Patara Pharma.

PA101B is an immune modulator with mast cell stabilizing properties. Patara has completed two Phase I clinical trials that demonstrated its lead candidate was well tolerated in the target patient populations. A Phase II proof of concept clinical trial has been initiated in Europe to evaluate PA101B for the treatment of chronic cough refractory to existing therapies. This Phase II trial is a double-blind, randomized, placebo-controlled, crossover study in 48 adult patients with refractory chronic cough, including individuals with idiopathic pulmonary fibrosis, or IPF (ClinicalTrials.gov identifier NCT02412020).

"Cough is the most common reason that patients in the United States visit a doctor, and refractory chronic cough, characterized by a dry, non-productive cough that persists for more than eight weeks despite treatment with standard of care, is an especially frustrating and difficult condition for both patients and physicians," observed Dr. Peter Dicpinigaitis, Professor of Clinical Medicine at the Albert Einstein College of Medicine and a Patara scientific advisor. "Currently available therapies offer limited benefit and/or are associated with significant side effects, so there is a great need for new, well-tolerated non-narcotic agents that can significantly reduce cough frequency and severity."

A Phase II proof of concept clinical trial (ISM^2 Study) has also been initiated in Europe to evaluate PA101B in the treatment of patients diagnosed with indolent systemic mastocytosis, an orphan indication. The ISM^2 trial is a two part study: Part 1 is a double-blind, placebo controlled, crossover study in 24 patients, and Part 2 is an open label parallel design study in 12 patients comparing PA101B with Nalcrom, the only drug formally approved for mastocytosis (ClinicalTrials.gov Identifier: NCT02478957).

"There are an estimated 30,000 people in the U.S. suffering from systemic mastocytosis, and about half of these individuals suffer from frequent, debilitating allergic symptoms despite treatment with available therapies," noted Dr. Cem Akin, director of the Mastocytosis Center at Brigham and Women's Hospital, Harvard Medical School, and a Patara scientific advisor. "Patients suffering from this disease are in desperate need of new treatments."

About Treatment-Refractory Chronic Cough

Chronic cough is a dry, non-productive cough that persists for more than eight weeks with a frequency of up to 100 times per hour. Chronic cough has a debilitating physical and psychosocial burden, exacerbates concomitant respiratory diseases, and causes loss of sleep and reduced social mobility. While many cases of chronic cough are treatable and/or resolve spontaneously, certain individuals such as those with IPF, lung cancer, asthma, COPD, and GERD can have a chronic cough that persists for years despite treatment with currently available therapies.

IPF is a progressive and generally fatal lung disorder characterized by scarring and thickening of lung tissue causing an irreversible loss of the ability to transport oxygen. There is no cure for IPF and treatment options are limited. Chronic cough is one of the most significant contributors to poor quality of life and is an independent predictor of disease progression in IPF. It is believed that more than 150,000 adults in the United States have IPF, with up to 40% suffering from a chronic cough refractory to current therapies.

About Indolent Systemic Mastocytosis

Systemic Mastocytosis is an orphan disease affecting approximately 30,000 individuals in the United States. Mastocytosis is associated with the proliferation and inappropriate activation of mast cells that can manifest allergic symptoms in every organ and tissue in the body. While some rare forms of systemic mastocytosis can be terminal, indolent systemic mastocytosis (ISM) is characterized by a normal life span although symptoms in the gastrointestinal tract, skin, central nervous system, and other organ systems can be debilitating. Patients with ISM are frequently hospitalized and are at significantly higher risk for anaphylaxis, which is why most carry epinephrine injectors.

About Patara Pharma

Patara Pharma is a privately-held, San Diego-based, clinical-stage biotechnology company developing new therapeutics that target debilitating allergic and inflammatory diseases and conditions in orphan or focused patient populations. The company's lead candidate, PA101B, is an immune modulator with anti-allergy and anti-inflammatory properties. PA101B is being evaluated in separate Phase II clinical trials for the treatment of refractory chronic cough and the treatment of indolent systemic mastocytosis. Learn more about Patara Pharma at www.patarapharma.com.

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