Aerpio Therapeutics Completes $27 Million Series A Financing

Proceeds will Support Phase 1b/2a Study of AKB-9778 in Diabetic Macular Edema and Larger Phase 2 Trial

Cincinnati, OH, August 30, 2012 – Aerpio Therapeutics, a clinical-stage biopharmaceutical company focused on advancing innovative therapies for vascular diseases, today announced that is has closed a $27 million Series A financing. The round was led by Novartis BioVentures and joined by Venture Investors LLC, Triathlon Medical Ventures, Kearny Venture Partners, Athenian Venture Partners and AgeChem Venture Fund. The proceeds will support ongoing development of Aerpio's pipeline, including AKB-9778, which is entering Phase 1b/2a for the treatment of diabetic macular edema (DME). Aerpio was created in a spin-out transaction from Akebia Therapeutics in December 2011.

"The activation of Tie2 by AKB-9778 has demonstrated promising activity in multiple models of retinal disease characterized by edema and neovascularization. Based on these findings, we believe that AKB-9778 could play an important role in the treatment of DME and potentially age-related macular degeneration and retinal vein occlusion," said Dr. Joseph Garner, President and CEO of Aerpio. "The $27M financing will provide sufficient funding to complete a Phase 1b/2a study, which will begin shortly, as well as a large definitive Phase 2 study in DME patients."

"Aerpio is already making significant progress in its lead program, AKB-9778, so we're very pleased to be supporting further clinical development of this promising compound," said Campbell Murray, Managing Director at Novartis BioVentures. "The Tie2 pathway is emerging as a prime target for stabilizing retinal blood vessels against excessive vascular leak and pathologic vascular growth, two major drivers of vision loss in diabetics. Although VEGF inhibitors have shown application in DME, significant unmet needs remain for these patients. We believe that AKB-9778 could prove to be more effective in DME than currently available therapies, while offering a safety and tolerability profile that is potentially more favorable."

About AKB-9778

AKB-9778 is a first-in-class small molecule that works by inhibiting the Human Protein Tyrosine Phosphatase β (HPTPβ) enzyme, which acts as a negative regulator of the Tie2 receptor. By inhibiting this negative regulator, Tie2 signaling is restored, overcoming the effects of the Ang2-induced vascular destabilization. Tie2 activators have potential utility in a range of important clinical indications, but Aerpio is currently focusing development of its lead candidate, AKB-9778, in diabetic macular edema. In a Phase 1 healthy volunteer study, AKB-9778 was well tolerated through the predicted efficacious dose range, with evidence of on-target pharmacology. A Phase 1b/2a study to explore the safety and efficacy of AKB-9778 in patients with diabetic macular edema is expected to begin by the end of 2012.

About Aerpio Therapeutics

Aerpio Therapeutics, Inc. is a clinical-stage biopharmaceutical company focused on advancing innovative therapies for vascular diseases. Aerpio is a leader in the development of small molecule drugs based on Tie2 activation and the stabilization of Hypoxia-inducible Factor 1α (HIF-1α). The Company's lead program, AKB-9778, is a first-in-class stabilizer of the Tie2 pathway and is in clinical development for diabetic macular edema. More information is available at www.aerpio.com.

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