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Pieris Pharmaceuticals to Receive GLP Tox Milestone Payment in Daiichi Sankyo Collaboration

BOSTON, MA -- (Marketwired) -- 10/26/16 -- Pieris Pharmaceuticals, Inc. (NASDAQ: PIRS), a clinical-stage biotechnology company advancing novel biotherapeutics through its proprietary Anticalin® technology platform for cancer and other diseases, announced today the achievement of a success-based milestone payment in its R&D collaboration with Daiichi Sankyo Company, Limited ("Daiichi Sankyo"), headquartered in Tokyo. Specifically, the milestone was triggered by Daiichi Sankyo's decision to initiate a GLP toxicity study in non-human primates. In 2014, Pieris transferred the program to Daiichi Sankyo, who is responsible for further development of the program. Beyond this program, Daiichi Sankyo is currently pursuing an additional Anticalin-based program (DS-9001, anti-PCSK9) for dyslipidemia, which is in the clinical stage of development.

"Today's news marks the ninth milestone payment within our collaboration with Daiichi Sankyo. In addition to the first program, DS-9001, this second program is reaching an exciting stage of development," commented Stephen Yoder, President and CEO of Pieris. "With our Anticalin drug discovery platform, we have been able to create value through several partnered programs, which complement our growing pipeline of highly differentiated proprietary product candidates in immuno-oncology, asthma and other indications in attractive markets."

Under the terms of the 2011 agreement, Pieris receives committed research funding and payments for the achievement of research, preclinical, regulatory and commercial milestones. The partnership could encompass for Pieris more than EUR 100 million per program in license fees, funding and milestones, not including royalties on sales from marketed Anticalin proteins resulting from the collaboration. Daiichi Sankyo will have exclusive marketing rights worldwide for all such products.

About Pieris Pharmaceuticals:

Pieris is a clinical-stage biotechnology company that discovers and develops Anticalin® protein-based drugs to target validated disease pathways in a unique and transformative way. Our pipeline includes immuno-oncology multi-specifics tailored for the tumor microenvironment, an inhaled Anticalin protein to treat uncontrolled asthma and a half-life-optimized Anticalin protein to treat anemia. Proprietary to Pieris, Anticalin proteins are a novel class of therapeutics validated in the clinic and by partnerships with leading pharmaceutical companies. Anticalin® is registered trademarks of Pieris. For more

information, visit www.pieris.com.

About Daiichi Sankyo :

Daiichi Sankyo Group is dedicated to the creation and supply of innovative pharmaceutical products to address diversified, unmet medical needs of patients in both mature and emerging markets. With over 100 years of scientific expertise and a presence in more than 20 countries, Daiichi Sankyo and its 16,000 employees around the world draw upon a rich legacy of innovation and a robust pipeline of promising new medicines to help people. In addition to a strong portfolio of medicines for hypertension and thrombotic disorders, under the Group's 2025 Vision to become a "Global Pharma Innovator with Competitive Advantage in Oncology," Daiichi Sankyo research and development is primarily focused on bringing forth novel therapies in oncology, including immuno-oncology, with additional focus on new horizon areas, such as pain management, neurodegenerative diseases, heart and kidney diseases, and other rare diseases. For more information, please visit: www.daiichisankyo.com.

Forward Looking Statements

This press release contains forward-looking statements as that term is defined in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Statements in this press release that are not purely historical are forward-looking statements. Such forward-looking statements include, among other things, references to novel technologies and methods; projected timing and outcomes of clinical trials or preclinical studies; future license fees, funding and milestone payments; or market information. Actual results could differ from those projected in any forward-looking statements due to numerous factors. Such factors include, among others, our ability to raise the additional funding we will need to continue to pursue our business and product development plans; the inherent uncertainties associated with developing new products or technologies and operating as a development stage company; our ability to develop, complete clinical trials for, obtain approvals for and commercialize any of our product candidates; competition in the industry in which we operate and market conditions. These forward-looking statements are made as of the date of this press release, and we assume no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those projected in the forward-looking statements, except as required by law. Investors should consult all of the information set forth herein and should also refer to the risk factor disclosure set forth in the reports and other documents we file with the SEC available at www.sec.gov, including without limitation the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and the Company's Quarterly Reports on Form 10-Q.

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