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Pieris Pharmaceuticals and The University of Melbourne Receive Research Grant to Advance Immunological Diseases Program

FREISING, GERMANY and MELBOURNE, AUSTRALIA -- (Marketwired) -- 03/30/15 -- Pieris Pharmaceuticals, Inc. (OTCQB: PIRS) and The University of Melbourne today announced the receipt by the University of a research grant to further develop Pieris' novel protein Anticalin®-brand therapeutic, PRS-060, in immunological diseases. The grant -- which will support Pieris' Australian subsidiary, Pieris Australia, and is disbursed by Australia's peak medical research funding body, the National Health and Medical Research Council (NHMRC) -- totals more than $AUS 500,000 and covers activities to advance PRS-060 for inhaled delivery to treat asthmatics.

Pieris president and chief executive officer, Stephen Yoder, commented, "Pieris is a nimble organization with a broad reach, and today's announcement underpins our strategy of pursuing opportunities on a global scale to marry our Anticalin drug candidates with complementary disease biology capabilities. This grant adds to the existing financial benefits that Pieris Australia is already realizing from the Australia R&D tax credit, which provides more than 40% cost reimbursement for qualified expenses."

Lead Investigator, Professor Gary Anderson, PhD, Director of the University's Lung Health Research Centre, explained the background and goals of the project. "I'm delighted that we will be working with our colleagues at Pieris to advance PRS-060 towards clinical trials for treating asthma. PRS-060 works by blocking a key protein, IL-4receptor alpha, which integrates signals in 'type 2 immunity' that both initiate and sustain asthma. Recent clinical trials in severe asthma using systemically administered monoclonal antibodies that block IL4Ra -- or a protein that acts through it, IL-13 -- have shown striking results, leading to marked improvement of lung function, improved symptoms and reduced use of oral steroids. We've known for around 100 years that most asthma medicines work best when delivered directly to the lung, but this has so far proven unrealistic with antibodies, as they are challenging to formulate for inhaled delivery. As an inhaled therapeutic protein, PRS-060 may provide a differentiated approach by binding as tightly to IL4Ra as clinically validated antibodies as well as antagonizing IL4Ra directly in the lung epithelia, while sparing target engagement in the periphery."

Professor Stephen Smith, Dean of the Faculty of Medicine, Dentistry and Health Sciences at the University of Melbourne commented, "The University of Melbourne is committed to improving the health of patients. To do this, we continue to bring outstanding scientists together with leading edge technologies to develop and commercialize innovations that

represent the future treatment for diseases that are incurable and poorly controlled by conventional therapies. We are pleased to be working with Pieris to advance this innovative Anticalin-based drug candidate towards a clinical trial."

Professor Daniel Hoyer, a veteran of Novartis Pharmaceuticals and Head of the Department of Pharmacology and Therapeutics, added, "We are very happy to be part of this endeavour and value the expanded relationship with Pieris that this grant provides. Monoclonal antibodies represented a paradigm shift in the successful treatment of numerous immune diseases, yet have their limitations. Anticalins may represent another paradigm shift by bringing the targeted approach like mAb-based therapeutics while adding benefits of local delivery."

The grant awards a total of $AUS 564,061.50 ($444,125 USD) between January 1, 2015, and December 31, 2016, for technical and development activities on PRS-060, which is currently in preclinical development.

About Pieris
Pieris is a clinical-stage biotechnology company advancing its proprietary Anticalin® technology to create differentiated drugs that have the potential to be safer and more effective than conventional approaches. Anticalins show promise in addressing high-unmet medical needs and expanding the potential of targeted therapeutics. The company currently has a diverse proprietary pipeline and has ongoing R&D collaborations with Daiichi Sankyo, the Sanofi Group, Zydus Cadila, Stelis Biopharma and Allergan. For more information visit www.pieris.com.

About the University of Melbourne
Established in 1853, the University of Melbourne is a public-spirited institution that makes distinctive contributions to society in research, learning and teaching and engagement. It's consistently ranked among the leading universities in the world, with international rankings of world universities placing it as number 1 in Australia and number 33 in the world (Times Higher Education World University Rankings 2014-2015). Medical researchers at the University of Melbourne are embedded in clinical environments and the translation of research into patient treatments is significant to the University.

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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, statements regarding the potential efficacy and other characteristics of PRS-060; other references to novel technologies and methods; our business and product development plans; 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, including PRS-060; 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 our Current Report on Form 8-K dated December 17, 2014.

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