Graybug Vision Announces $44.5 Million Series B Financing

– Funding Will Support Clinical Development Activities –

Redwood City, CA – May 2, 2016 – Graybug Vision, a venture-stage pharmaceutical company committed to developing potentially transformative therapies for ocular diseases including wet age-related macular degeneration (AMD) and glaucoma, today announced the closing of a $44.5 million Series B financing. The proceeds will be used to further the development of GB-102, Graybug Vision's lead drug for wet AMD, through Phase 2 clinical trials and to initiate a clinical program for the company's proprietary glaucoma compound. GB-102, a dual acting inhibitor of VEGF and PDGF receptors, may be administered twice per year in wet AMD patients. Graybug Vision is also applying its proprietary injectable depot technology to enable twice per year treatment of glaucoma from a subconjunctival injection.

The Series B financing was led by Deerfield Management Company, L.P. and included participation from new investors OrbiMed Advisors, LLC, and Clarus Ventures, LLC along with Series A investor Hatteras Venture Partners. In connection with the financing, Cameron Wheeler, PhD, Principal at Deerfield, will join the Graybug Vision Board of Directors along with Chau Khuong, Partner at OrbiMed and Emmett Cunningham, MD, PhD, MPH, Partner at Clarus.

"We are very excited to work with Graybug Vision to support the significant improvement in care for patients suffering from AMD and glaucoma. This technology is a testament to the early academic work that is done at universities, and we are proud to support the Graybug Vision team and founders from Johns Hopkins University," said Cameron Wheeler.

"The significant level of investor interest in our Series B financing is further validation of both the approach and the potential of our lead compound, GB-102, to block both the VEGF and PDGF pathways from a single, twice per year injection," said Jeffrey L. Cleland, PhD, President and Chief Executive Officer of Graybug Vision, Inc. "We are also pleased with the significant investigator interest we've already received for our planned Phase 1/2 clinical program."

The company recently completed a 6 month study in animals for its lead program, GB-102, a therapy for twice-yearly treatment of wet AMD. This preclinical study demonstrated the ability of Graybug Vision's proprietary technology to deliver its small molecule drug that blocks both VEGF and PDGF for over 6 months after a single intravitreal injection in rabbits. The technology achieves the 6 month release profile without inflammation or toxicity after an intravitreal injection – an unprecedented result for a non-steroid drug delivered to the eye. The FDA has agreed with the company's plans for GB-102 IND-enabling studies and for a Phase 1/2 study in wet AMD patients to be initiated in early 2017 to confirm the results to date in animals.

About Graybug Vision

Graybug Vision is developing novel products for the treatment of ocular diseases. Graybug Vision's technology enables the delivery of compounds to the eye up to twice per year and was co-developed by Graybug Vision founder Justin Hanes, PhD, who is the Lewis J. Ort Professor of Ophthalmology at the Wilmer Eye Institute of the Johns Hopkins University, in collaboration with Graybug Vision cofounders, and leading ophthalmology clinician-scientists from the Wilmer Eye Institute Peter A. Campochiaro, MD, and Peter J. McDonnell, MD. Graybug

Vision's lead product, GB-102, is being developed for twice a year treatment of wet AMD patients. Graybug Vision's second product consists of compounds with intraocular pressure lowering and neuroprotection that may be administered to the subconjunctiva twice per year for the treatment of glaucoma. For more information, please visit www.graybug.com.

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