

Neurotech Announces Renewed Focus on NT-501 (CNTF) Encapsulated Cell Therapy Clinical Programs

April 29, 2016, Cumberland, RI – Neurotech Pharmaceuticals, Inc. today announced that the company will focus all future clinical efforts on their Phase 2 NT-501 programs. The goal is to explore the therapeutic potential of Encapsulated Cell Therapy (ECT) to deliver Ciliary Neurotrophic Factor (CNTF) in patients with macular telangiectasia (MacTel) and glaucoma. This change in strategic direction follows the decision to halt the Phase 2 study of a soluble anti vascular endothelial growth factor (anti-VEGF) receptor protein delivered by ECT (NT-503) for the treatment of wet AMD. The study was stopped due to a larger than anticipated number of patients requiring rescue injections in the treatment arm. ECT was well tolerated for the duration of the trial and there was no observed safety signal that contributed to the decision to discontinue the trial.

“While we are disappointed that NT-503 did not perform as expected in this trial, the outcome does not change our commitment to the ECT platform,” said Dr. Charles Johnson, Chief Medical Officer at Neurotech. “We believe that ECT could potentially fill an unmet need of delivering long-term treatment in several chronic ocular diseases.”

CNTF is a growth factor that stimulates and protects photoreceptor cells, Müller cells and retinal ganglion cells. CNTF has been shown to slow vision loss due to photoreceptor death in more than 10 animal models. A Phase 2 trial of CNTF in MacTel is underway in 66 patients (99 eyes), and two-year data is expected in the second quarter of 2017. Additionally, promising early data from a Phase 1 trial in glaucoma suggests that CNTF may promote retinal ganglion cell survival, an anatomical finding which correlated to several functional outcomes. A Phase 2 trial to confirm these findings is expected to begin by mid-year.

In order to optimize resources and focus efforts behind the NT-501 program, Neurotech recently completed an internal reorganization, which will better position the Company to facilitate and execute on its strategic objectives. With Phase 2 clinical data expected next year in the MacTel and glaucoma indications, this restructuring reflects the commitment to NT-501 and the excitement around these upcoming pivotal milestones.

Richard Small, Vice President and Chief Financial Officer, has been appointed to Chief Operating Officer and Chief Financial Officer. Quinton Oswald has stepped down as President and Chief Executive Officer and will no longer serve on the Board of Directors. "Quinton has been an integral part of Neurotech over the last couple of years and we appreciate the leadership that he provided to the company," said Richard Small. James Mazzo, Executive Chairman of the board added, "The Board of Directors and I remain excited about the ECT platform and applications of CNTF. We have the utmost confidence in the leadership and strategic direction of Neurotech moving forward".

About Encapsulated Cell Therapy

Encapsulated Cell Therapy is an investigational, first in class, versatile delivery system that promotes continuous production of therapeutic proteins to the eye with the potential to treat a broad array of ocular diseases. It utilizes a proprietary, well-characterized retinal pigment epithelial cell line that has been genetically engineered to produce therapeutically active biologics. The cells are encapsulated in a semi-permeable membrane that allows for selective passage of therapeutic proteins. The ECT platform is inserted during a single outpatient surgical procedure through a small scleral incision, and can also be

removed through the same incision, if desired. ECT has the potential to address the current limitations of intraocular drug delivery by allowing for single- and multiple-factor drug combinations and ensuring patient compliance and reducing treatment burden with one surgical procedure that can deliver drug for at least 2 years.

About Macular Telangiectasia and the MacTel Project

Macular Telangiectasia (MacTel), or idiopathic juxtafoveal macular telangiectasia, is a rare neurodegenerative disease with characteristic alterations of the retinal vasculature and localized retinal degeneration. MacTel is progressive, causing gradual deterioration of central vision over a period of 10 to 20 years.

The MacTel Project was established to identify the causes and most appropriate treatments for the condition. The research is conducted for and funded by the Lowy Medical Research Institute (LMRI), a private, non-profit research organization established in 2005. The MacTel Project's Natural History Observation Study enrolled more than 400 individuals from around the world and has led to new insights into the disease. LMRI also supports a Natural History Observation Registry (NHOR), in which participants provide valuable clinical information about disease progression and are connected to the opportunity to participate in laboratory research and clinical trials.

Neurotech's Phase 2 multicenter randomized clinical study to test the safety and efficacy of ciliary neurotrophic factor (CNTF) in patients with MacTel is sponsored by LMRI. The study is fully enrolled with 66 patients (99 eyes) at eight sites in the United States and three in Australia, randomized to receive either a NT-501 ECT, or a sham procedure (no NT-501 ECT). If both eyes were eligible for the study, one eye was randomized to receive the implant and the other eye received the sham procedure.

The Phase 2 study is designed to measure the change over time in the area of the ellipsoid zone (inner segment/outer segment) in all participants. In a normal retina, the ellipsoid zone appears unbroken, while in a MacTel eye it often appears broken. An increase in the area of the ellipsoid zone break is a measure of disease progression. Two-year data is expected in mid-year 2017.

About Neurotech Pharmaceuticals, Inc.

Neurotech Pharmaceuticals, Inc. is a private biotechnology company focused on developing transformative therapies for chronic eye diseases. The core technology platform, Encapsulated Cell Therapy, enables continuous production of therapeutic proteins to the eye. Neurotech is exploring several ECT candidates including macular telangiectasia and glaucoma. To learn more, visit www.neurotechusa.com.