InCarda Therapeutics Provides Corporate Update Highlighting Fundraising and Clinical Development Milestones

Oversubscribed $42 Million Series B Financing Provides Significant Runway to Support Continued Advancement of Innovative Inhaled Cardiovascular Therapy

First Patients Dosed in Phase 2 Clinical Trial of First-of-its-Kind Inhaled Antiarrhythmic for Treatment of Paroxysmal Atrial Fibrillation

SAN FRANCISCO, CA – November 7, 2018 – InCarda Therapeutics, Inc. ("InCarda"), a privately-held biopharmaceutical company developing first-of-their-kind inhaled therapies for cardiovascular diseases, today provided a corporate update highlighting fundraising and clinical development milestones. These achievements have contributed to the continued successful development of its lead clinical program, while also significantly strengthening the company in the areas of capital resources and leadership.

Fundraising and Board Expansion

InCarda has completed an oversubscribed $42 million Series B financing and subsequently closed on the initial tranches of the round of funding. The financing was led by new investors Sofinnova and HealthCap and also included new investor Deerfield Management and existing investors Morningside Venture and Asset Management Ventures. Proceeds from the financing will be used primarily to fund the recently initiated Phase 2 study of InRhythm™ (flecainide for inhalation), the company's lead development program, for the treatment of recent-onset paroxysmal atrial fibrillation (PAF).

As part of the Series B financing, InCarda has expanded its board of directors to include:

- Alan Colowick, M.D., M.P.H. (Board Chairman) – Dr. Colowick is a partner at Sofinnova since 2017 and most recently before that served as executive vice president at Celgene Corporation. He also sits on the board of directors of multiple biotech companies and focuses on clinical-stage product companies for Sofinnova.

- Johan Christenson, M.D., Ph.D. – Dr. Christenson is a partner at HealthCap who has been with the firm since 2001. He previously supervised the healthcare portfolio of SEB Ventures and has senior management experience from Astra Pain Control as project director and AstraZeneca as global product director. He sits on the boards of several development stage companies in Europe and North America.

- Andrew ElBardissi, M.D., M.P.H, M.B.A. – Dr. ElBardissi is a principal on Deerfield's private transactions team and focuses on early-stage investments in medical technology and biotechnology. He sits on the boards of multiple development-stage companies with technologies in cardiology and electrophysiology. He trained in cardiothoracic surgery at the Brigham and Women's Hospital at Harvard Medical School and the Stanford University School of Medicine.

These new appointees have joined InCarda's existing board members, which include:

- Norbert Bischofberger, Ph.D., president and chief executive officer of Kronos Bio
- Isaac Cheng, M.D., Morningside
- Grace Colón, Ph.D., president and chief executive officer of InCarda
- Louis Lange, M.D., Ph.D. (Board observer), founder, chairman and chief executive officer of CV Therapeutics until its acquisition by Gilead Sciences

InCarda would like to thank Reenie McCarthy, chief executive officer of Stealth BioTherapeutics, for her contributions and support as the initial board representative from Morningside.

Clinical Development Milestones:

InCarda is currently enrolling a multinational Phase 2 clinical trial of InRhythm in patients with recent-onset PAF. Approved treatments for PAF rely upon either chronic administration of oral antiarrhythmic drugs or acute hospital-based procedures, neither of which address the unmet need of patients for a non-invasive, rapid-acting treatment that can be self-administered whenever an episode of PAF occurs. InRhythm is a novel inhaled therapeutic candidate designed to rapidly deliver flecainide, a well-established antiarrhythmic agent, to the heart via the lungs, converting patients back to a normal sinus rhythm (NSR) and relieving symptoms following the onset of a PAF episode. The therapy is being developed as a portable treatment that can be self-administered by patients in any setting to rapidly trigger NSR conversion, as well as for use under medical supervision in a hospital, emergency room or physician office.

The recently initiated Phase 2 trial is a prospective, randomized, multicenter, in-hospital study designed to evaluate the feasibility, safety, efficacy and tolerability of single and repeat doses of inhaled flecainide in patients following the onset of an episode of PAF. Key study endpoints include percentage of patients converting to NSR within 45 minutes of treatment, time to NSR conversion, and time to reduction of atrial fibrillation (AF) symptoms, among others. InCarda anticipates that top-line results from the study will be available in the second half of 2019.

"2018 has been transformational for InCarda as we continue to aggressively execute our plan, driven by our belief that inhaled therapeutics represent a new frontier in the treatment of cardiovascular diseases. Our recent achievements have significantly strengthened our company and provided InCarda with key resources to continue to efficiently and effectively advance our development of InRhythm," said Dr. Colón. "We are also grateful for the opportunity to bolster

our board of directors with three highly-regarded industry leaders who, together with our existing board members, are able to apply their diverse knowledge to guide the company forward. We look forward to completing our Phase 2 study, which will serve as an important step in our continued effort to develop a novel treatment capable of addressing the unmet needs of patients living with the significant clinical and emotional burden of PAF."

"Patients who suffer from paroxysmal atrial fibrillation do not currently have a treatment for rapid conversion to normal sinus rhythm that they could potentially initiate themselves," stated Dr. Colowick, chairman of InCarda's board of directors. "Sofinnova was impressed with the strong team and value proposition represented by InRhythm, and we are delighted to partner with InCarda and the rest of the experienced investor syndicate to progress the development of this important therapeutic candidate."

About Atrial Fibrillation (AF)

Atrial fibrillation (AF) is the most common sustained cardiac arrhythmia (abnormal heart rhythm) and is characterized by rapid and irregular heartbeats often resulting in palpitations and other debilitating symptoms. A chronic, progressive condition, AF is estimated to affect up to six million people in the U.S., with that number expected to double by 2050[1]. This expected increase is partially due to the correlation between AF prevalence and an aging population, with approximately 9% of those aged 65 and older affected by the condition[1]. AF is associated with significant morbidity and a substantial reduction in quality of life, with the condition potentially resulting in exercise intolerance, congestive heart failure, tachycardia-induced cardiomyopathy and stroke. The annual cost of AF to the U.S. healthcare system is estimated at more than $26 billion[1].

Paroxysmal AF (PAF) is a type of AF in which episodes resolve spontaneously in fewer than seven days. Approximately 25% of PAF patients progress to the permanent form of AF within five years[2]. The underlying cause of PAF is unknown and most patients present with a normal heart structure. Common symptoms of PAF can include racing heartbeat, chest pain or pressure, a fluttering feeling in the chest, weakness, fatigue, dizziness, sweating and lightheadedness. Current treatments for PAF rely upon either chronic administration of oral antiarrhythmic drugs or acute hospital-based procedures such as intravenous drug administration, electrical cardioversion and catheter ablation. There are currently no approved treatments that can be patient self-administered whenever an episode of PAF occurs.

About InRhythm™

InRhythm (flecainide for inhalation) is a novel inhaled therapeutic candidate designed to rapidly deliver flecainide, a well-established antiarrhythmic agent, to the heart via the lungs, converting patients back to a normal sinus rhythm (NSR) and relieving symptoms following the onset of a paroxysmal atrial fibrillation (PAF) episode. InRhythm is intended to address the unmet need of PAF patients for a non-invasive, rapid-acting treatment that can be self-administered whenever an episode of PAF occurs. Phase 1 clinical results demonstrated that InRhythm rapidly and safely delivered flecainide resulting in ECG changes consistent with the potential to restore NSR in PAF

patients. InCarda is currently conducting a Phase 2 trial of InRhythm in patients with recent-onset PAF. For more information about this study, please visit: www.clinicaltrials.gov.

About InCarda Therapeutics

InCarda Therapeutics, Inc. is a privately-held, clinical-stage biopharmaceutical company developing first-of-their-kind inhaled therapies for acute cardiovascular diseases and conditions. The company is leveraging the ability of inhaled therapy to deliver medicine in the "first pass" to cardiac tissue, presenting a small, but effective dose of drug directly to affected regions of the heart. This permits rapid-onset, lower off-target tissue exposure of the drug, lower continued/prolonged exposure to cardiac tissue and, more importantly, can be patient self-administered in any setting. InCarda employs a de-risked approach by using approved drugs with a long history of efficacy and safety in a new dosing paradigm. The company's lead development product, InRhythm, is in Phase 2 development to treat paroxysmal atrial fibrillation (PAF), a widespread atrial arrhythmia. For more information, please visit www.incardatherapeutics.com

About Sofinnova (www.sofinnova.com)
Founded in 1974, Sofinnova specializes in clinical and late preclinical investments in biopharmaceutical products. Our goal is to actively partner with entrepreneurs across all stages of company development. We seek to build world class companies that aspire to dramatically improve the current state of medical care and the lives of patients through bringing innovative products to market.

About HealthCap (http://www.healthcap.eu)
HealthCap is a European venture capital firm investing exclusively and globally in life sciences. The investment strategy focuses on diseases with high unmet medical needs and breakthrough therapies that have the potential to be transformative and change medical practice, and the lives of patients suffering these conditions. Having raised more than EUR 1 billion since 1996, HealthCap has backed and built more than 100 companies, taken more than 40 companies public and done numerous trade sales.

About Deerfield (www.deerfield.com)
Deerfield is an investment management firm committed to advancing healthcare through investment, information and philanthropy.

About Morningside (www.morningside.com)
Morningside is a diversified investment group founded in 1986. It is engaged primarily in private equity and venture capital investments. The group has investments in North America, Europe, and Asia. Morningside is an active investor in early-- stage companies founded around novel life science and medical technology.

References:

[1] *J Am Coll Cardiol. 2014 Dec 2;64(21):2305-7*

[2] *Am Heart J. 2005 Mar;149(3):489-96*

Contact Information:

Tim Brons
Vida Strategic Partners (media)
646-319-8981
tbrons@vidasp.com