Forward-Looking Statements

This webcast and the slides accompanying it contain data from Krystal’s phase 1/2 trial evaluating KB-103 in patients suffering from Dystrophic epidermolysis bullosa, or DEB. Statements made in the webcast and slides may contain "forward-looking statements" regarding matters that are not historical facts, including statements relating to the Company's clinical trials and product development pipeline. There can be no assurance that the data contained in these results will be replicated in additional patients enrolled in this or any future trial, or that these results will prove clinically meaningful in the development of KB103 as a potential drug. Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Words such as "anticipates," "plans," "expects," "intends," "will," "potential," "hope" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based upon current expectations of the Company and involve assumptions that may never materialize or may prove to be incorrect. Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of various risks and uncertainties. Detailed information regarding factors that may cause actual results to differ materially from the results expressed or implied by statements in this press release relating to the Company may be found in the Company's periodic filings with the Securities and Exchange Commission...
Dystrophic Epidermolysis Bullosa (DEB)

“Butterfly Children” is used to describe young DEB patients because their skin is as fragile as a butterfly’s wings.

### Dystrophic Epidermolysis Bullosa

A rare, genetic connective tissue disease that causes skin to tear or blister from minor contact. Caused by a mutation in the COL7A1 gene that codes for the COL7 protein. Without COL7, the epidermis does not anchor to the dermis.

### Epidemiology

**Prevalence:** ~10,000 people are affected by DEB worldwide.¹,²

**Incidence:** The incidence of DEB is 6.5 per million births in the US.²

### Current Standard of Care

There are no approved treatments for DEB. Existing therapies limited to expensive and time-consuming palliative treatments.

Palliative treatments cost $200k – $400k annually.³,⁴

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Disease burden

• Clinical endpoints
  • Time to wound closure (days)
  • Percentage of wound closure (area %)
  • Duration of wound closure (days)

• Evidence of mechanistic endpoints
  • Presence of NC1 and NC2 domains demonstrating production of functional COL7
  • NC1 and NC2 staining of anchoring fibrils

• Chronic wounds vs Recurring wounds
  • Chronic wounds tend to stay open (~ > 12 weeks)
  • Recurring wounds tend to close and open frequently due to absence of anchoring fibrils
  • Recurring wounds more prone to squamous carcinoma
KB103: Simple, Painless and Easy to Administer

Benefits of Krystal’s approach to treat DEB

- “Off-the-Shelf” product ready for use in multiple patients
- Manufacturing and supply chain costs are lower – direct ship to local site
- Therapy can be administered by any dermatologist, primary care physician, care giver, nurse
- No hospitalization needed
- Does not require expensive, invasive, and time-consuming procedures. sophisticated medical teams or travel to specialty centers
KB103 Phase 1/2 Status update

• Phase 1 (GEM-1) update
  • Krystal announced interim data on 4 wounds (up to 10 cm² in area) in 2 patients (2 active, 2 placebo) in October, 2018
    o 100% wound closure (by area) observed in both wounds treated with KB103
    o Average time to wound closure was 12 days (median 12 days)
    o The duration of wound closure on two patients following 100% wound closure as of the last follow up was 184 days (6.6 months) and 174 days (6.2 months) respectively

• Phase 2 (GEM-2) study is the focus of current presentation:
  o Four additional new patients were dosed in second half of December 2018
  o Individual analysis of GEM-2 and combined analysis of GEM-1 and GEM-2
KB103 Phase 2 Study Results
GEM-2: Phase 2 Trial Design

Four patients enrolled in December, 2018. Principal Investigator: Dr. Peter Marinkovich, Stanford University

• **Key objectives**: Demonstrate efficacy and safety of KB103
  
  • **Primary Clinical Objectives**: Safety and Wound healing (time to wound closure, % area of wound closure, duration of wound closure)
  
  • **Secondary Mechanistic Objectives**: Expression of COL7, evidence of anchoring fibrils.

• **Trial Design**:

  • Randomized, placebo controlled study; 4 patients enrolled in study – 2 adult 2 pediatric
  
  • 3 wounds treated topically in each patient: 1 placebo, 2 active
  
  • Total number of wounds treated in Phase 2 study = 12 (3 wounds per patient * 4 patients)
  
  • Initial front loaded dosing for 5 days (3e8 pfu/day)
  
  • Biopsies were based on PI discretion during site visits.
  
  • Biopsied wounds were dosed one administration of 3e8 at site of biopsy, following a biopsy
  
  • Each patient is on-study for approximately six months; three months of on-site visits followed by a 3-month at-home imaging period
Wound characterization in Phase 2 and combined trial

One patient in Phase 2 trial dropped out of the study after 30 days due to an inability to travel resulting in analysis on remaining three patients (9 wounds).

Chronic wounds remain open for greater than or equal to 12 weeks while recurring wounds heal but easily open.
KB103 continues to be well tolerated to date following first and repeat dose

- No treatment-related adverse events (serious or otherwise) were reported.

- No immune response or blistering observed around the sites of administration following first and repeat dose.

- Blood and urine samples collected throughout the study revealed:
  - No viral shedding
  - No adverse events associated with routine labs (chemistry and hematology)
  - No antibodies to COL7 was detected
KB103 Study Results

(Wound Healing)
<table>
<thead>
<tr>
<th>Wound</th>
<th>Type</th>
<th>Treatment</th>
<th>Baseline area in cm²</th>
<th>Days to 100% wound closure</th>
<th>% Area Closure</th>
<th>Duration of Closure at Day 90</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Recurring</td>
<td>KB103</td>
<td>15.6</td>
<td>22</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>3</td>
<td>Recurring</td>
<td>KB103</td>
<td>14.9</td>
<td>10</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>1</td>
<td>Recurring</td>
<td>Placebo</td>
<td>3.6</td>
<td>n/a</td>
<td>72%</td>
<td>Fully open</td>
</tr>
</tbody>
</table>

- **Right knee – anterior (knee)**
- **Lower right leg – medial (shin)**
- **Right foot – dorsum (foot)**
Wound Healing on Wound 2 in the first month

Baseline 15.6 cm²

Day 7

Day 14

Day 21

Day 30
Gem-2 Study: Patient 1 (Age 13)

<table>
<thead>
<tr>
<th>Location</th>
<th>Baseline</th>
<th>Day 30</th>
<th>Day 60</th>
<th>Day 90</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shin</td>
<td><img src="image1" alt="Shin Baseline" /></td>
<td><img src="image2" alt="Shin Day 30" /></td>
<td><img src="image3" alt="Shin Day 60" /></td>
<td><img src="image4" alt="Shin Day 90" /></td>
</tr>
<tr>
<td>Foot</td>
<td><img src="image5" alt="Foot Baseline" /></td>
<td><img src="image6" alt="Foot Day 30" /></td>
<td><img src="image7" alt="Foot Day 60" /></td>
<td><img src="image8" alt="Foot Day 90" /></td>
</tr>
<tr>
<td>Knee</td>
<td><img src="image9" alt="Knee Baseline" /></td>
<td><img src="image10" alt="Knee Day 30" /></td>
<td><img src="image11" alt="Knee Day 60" /></td>
<td><img src="image12" alt="Knee Day 90" /></td>
</tr>
</tbody>
</table>

Comparing the images, we can observe that the treatment with KB103 (black) resulted in a more significant improvement compared to the placebo (white) at Day 30 and Day 60, particularly noticeable in the shin and foot areas. However, at Day 90, the improvement in the KB103 group appears to plateau, whereas the placebo group shows a slight increase in redness and inflammation.
Gem-2 Study: Patient 2 (Age 14)

<table>
<thead>
<tr>
<th>Wound#</th>
<th>Type</th>
<th>Treatment</th>
<th>Baseline area in cm²</th>
<th>Days to 100% wound closure</th>
<th>% Area Closure</th>
<th>Duration of Closure at Day 90</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Day 30</td>
<td>Day 60</td>
<td>Day 90</td>
</tr>
<tr>
<td>1</td>
<td>Chronic</td>
<td>KB103</td>
<td>9.7</td>
<td>41</td>
<td>88.7%</td>
<td>100%</td>
</tr>
<tr>
<td>3</td>
<td>Recurring</td>
<td>KB103</td>
<td>15.2</td>
<td>24*</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>2</td>
<td>Recurring</td>
<td>Placebo</td>
<td>6.2</td>
<td>n/a</td>
<td>10.6%</td>
<td>45%</td>
</tr>
</tbody>
</table>

On wound 3, >90% of the wound had closed by Day 14
Wound Healing on Wound 3 in the first month
Gem-2 Study: Patient 2 (Age 14)

Baseline  | Day 30  | Day 60  | Day 90
----------|---------|---------|---------
Arm       | ![Image](image1.png) | ![Image](image2.png) | ![Image](image3.png) | ![Image](image4.png)
Back      | ![Image](image5.png) | ![Image](image6.png) | ![Image](image7.png) | ![Image](image8.png)
Breast    | ![Image](image9.png) | ![Image](image10.png) | ![Image](image11.png) | ![Image](image12.png)
# Gem-2 Study: Patient 3 (Age 22)

<table>
<thead>
<tr>
<th>Wound</th>
<th>Type</th>
<th>Treatment</th>
<th>Baseline area in cm²</th>
<th>Days to 100% wound closure</th>
<th>% Area Closure</th>
<th>Duration of Closure at Day 90</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Day 30</td>
<td>Day 60</td>
</tr>
<tr>
<td>1</td>
<td>Recurring</td>
<td>KB103</td>
<td>10.1</td>
<td>20</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>3</td>
<td>Chronic</td>
<td>KB103</td>
<td>6.0</td>
<td>~42% closure on Day 90</td>
<td>35%</td>
<td>40%</td>
</tr>
<tr>
<td>2</td>
<td>Recurring</td>
<td>Placebo</td>
<td>3.1</td>
<td>n/a</td>
<td>9.7%</td>
<td>Fully open</td>
</tr>
</tbody>
</table>
Wound Healing on Wound 1 in the first month (circle wound area)

Baseline, 10.1 cm²

Day 7

Day 14

Day 21

Day 30
Gem-2 Study: Patient 3 (Age 22)

Baseline Day 30 Day 60 Day 90

Arm

KB103

Foot

Placebo

Arm
### Gem-2 Study: Patient 4 (Age 19) – Dropped out of study after 30 days

#### Wound Locations
- Right elbow (posterior) (1)
- Left elbow (posterior) (2)
- Left wrist (anterior) (3)

<table>
<thead>
<tr>
<th>Wound</th>
<th>Type</th>
<th>Treatment</th>
<th>Baseline area in cm²</th>
<th>Days to Closure</th>
<th>% Area Closure</th>
<th>Duration of Closure at Day 90</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chronic</td>
<td>KB103</td>
<td>12.5</td>
<td></td>
<td>60%</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Recurring</td>
<td>KB103</td>
<td>5.0</td>
<td>20 days</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Recurring</td>
<td>Placebo</td>
<td>2.3</td>
<td>n/a</td>
<td>0%</td>
<td></td>
</tr>
</tbody>
</table>
Gem-2 Study: Patient 4 (Age 19) – Dropped out of study at Day 30

Baseline

Day 30

Right Elbow

KB103

Left Elbow

Placebo

Left Wrist
KB103 Study Results

(Mechanistic endpoints)
Functional COL7 expression in Patient 1

Presence of NC1 and NC2 domains demonstrating functional COL7 linearly deposited on basement membrane zone.
Functional COL7 expression in Patient 2

Presence of NC1 and NC2 domains demonstrating functional COL7 linearly deposited on basement membrane zone.
Functional COL7 expression in Patient 3

Presence of NC1 and NC2 domains demonstrating functional COL7 linearly deposited on basement membrane zone
Anchoring fibrils

Immuno Electron Microscopy showing nascent anchoring fibril formation
• In the Phase 2 study, 5 out of 6 wounds treated with KB103 closed completely (100% wound closure)

• The average time to 100% wound closure on 5 out 6 wounds was 23.4 days. On recurring wounds, the average time to 100% wound closure was 19 days.

• Duration following complete (100%) wound closure on recurring wounds as measured on Day 90 was therefore 71 days.

• Preliminary results indicate that duration of wound closure at 120 day timepoint was 101 days. We shall provide a further update on final duration of wound closure prior to commencing pivotal trials.

• Molecular correction was established in all 3 patients in Phase 2 trial and correlates to wound healing
In the combined Phase 1 and Phase 2 study, 7 out of 8 wounds treated with KB103 closed completely (100%).

The average time to 100% wound closure on all KB103 treated wounds in combined Phase 1 and Phase 2 study (7 out of 8) was 20.14 days (median 20 days).

In Phase 1 study, the duration of wound closure on two patients following 100% wound closure as of the last follow up was 184 days (6.6 months) and 174 days (6.2 months).

In Phase 2 study, preliminary results indicate that duration of wound closure at 120 day timepoint was 101 days. We shall provide a further update on duration of wound closure prior to commencing pivotal trials, once results are finalized.
Next Steps
Next Steps

• Recently enrolled two new patients:
  – Incrementally increase dosing frequency to treat chronic wounds
  – Gather additional information in preparation for designing a robust pivotal trial

• Anticipate commencing the pivotal trial before year end 2019 following discussions with the FDA

• Chemistry, Manufacturing and Control
  – Engineering run complete
  – Bioreactor manufacturing process finalized for PPQ run/Phase 3 clinical
  – Phase 3 clinical material manufacturing run to start in Q3, 2019