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Five Prime Therapeutics and Bristol-Myers Squibb Extend Research Term in Collaboration to Discover Novel Immuno-Oncology Therapies for Three Immune Checkpoint Pathways

SOUTH SAN FRANCISCO, Calif., Jan. 04, 2017 (GLOBE NEWSWIRE) -- Five Prime Therapeutics, Inc. (Nasdaq:FPRX), a clinical-stage biotechnology company focused on discovering and developing innovative immuno-oncology protein therapeutics, today announced that Bristol-Myers Squibb Company (NYSE:BMJ) has exercised its option to extend the research term of its discovery collaboration agreement with Five Prime for the discovery, development and commercialization of immuno-oncology therapies directed toward targets in three undisclosed immune checkpoint pathways.

The original collaboration agreement was established in March 2014 and focused on two undisclosed immune checkpoint pathways. In January 2016, the companies added a third immune checkpoint pathway to the collaboration. Bristol-Myers Squibb has now elected to extend the research term from its original ending date of March 2017 to March 2018, and will provide additional research funding for the 12-month extension of the research term.

Bristol-Myers Squibb will utilize Five Prime's discovery capabilities to advance these three immuno-oncology programs toward the identification of drug candidates for continued research and development. Drug candidates developed against targets in these pathways may be studied either as single agents or in combination with approved Bristol-Myers Squibb immuno-oncology therapies or others in development. Five Prime and Bristol-Myers Squibb continue work on antibody drug candidates targeting these pathways. Bristol-Myers Squibb has advanced the first antibody from this collaboration to IND-enabling activities.

"We are pleased that the demonstrated productivity of our unique research capabilities has prompted Bristol-Myers Squibb, a clear leader in immuno-oncology, to invest further in our efforts to find new drug candidates to modulate three checkpoint pathways," said Luis Borges, Ph.D., senior vice president of research, at Five Prime. "Together, we have made significant progress that includes an antibody candidate that could lead to an IND application for our collaborator."

Under the terms of the original agreement, Bristol-Myers Squibb will obtain exclusive, worldwide rights to develop and commercialize products directed toward certain protein targets in the three checkpoint pathways identified by Five Prime prior to and during the collaboration. Bristol-Myers Squibb paid an upfront fee of \$20 million to Five Prime and will provide up to \$11.6 million in research funding over the course of the entire research term. Five Prime will be eligible to receive up to \$300 million in future development (including \$5 million upon filing of the first IND application by Bristol-Myers Squibb), regulatory and sales-based milestone payments per collaboration product and tiered mid-single-digit rising to low-double-digit royalty payments on net sales of each product commercialized by Bristol-Myers Squibb.

About Five Prime

Five Prime Therapeutics, Inc. discovers and develops innovative therapeutics to improve the lives of patients with serious diseases. Five Prime's comprehensive discovery platform, which encompasses virtually every medically relevant extracellular protein, positions it to explore pathways in cancer, inflammation and their intersection in immuno-oncology, an area with significant therapeutic potential and a growing focus of the company's R&D activities. Five Prime has entered into strategic collaborations with leading global pharmaceutical companies and has promising product candidates in clinical and late preclinical development. For more information, please visit www.fiveprime.com.

Cautionary Note on Forward-looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "may," "will," "expect," "plan," "anticipate," "estimate," "intend" and similar expressions (as well as other words or expressions referencing future events, conditions or circumstances) are intended to identify forward-looking statements. These forward-looking statements are based on Five Prime's expectations and assumptions as of the date of this press release. Each of these forward-looking statements involves risks and uncertainties. Actual results may differ materially from these forward-looking statements. Forward-looking statements contained in this press release include statements regarding (i) Bristol-Myer Squibb's potential development and commercialization of products to targets in three checkpoint pathways; and (ii) Five Prime's potential receipt of milestone payments and royalties with respect to these products. Many factors may cause differences between current expectations and actual results including unexpected safety or efficacy data observed during research, preclinical or clinical studies, changes in expected or existing competition, changes in the regulatory, pricing or reimbursement environment, and unexpected litigation or other disputes. Other factors that may cause actual results to differ from those expressed or implied in the forward-looking statements in this press release are discussed in Five Prime's filings with the U.S. Securities and Exchange Commission, including the "Risk Factors"

contained therein. Except as required by law, Five Prime assumes no obligation to update any forward-looking statements contained herein to reflect any change in expectations, even as new information becomes available.

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