



July 14, 2016

GSK Exclusively Licenses Intellectual Property for Respiratory Disease Target Identified Using Five Prime's Proprietary Protein Discovery Platform

SOUTH SAN FRANCISCO, Calif., July 14, 2016 (GLOBE NEWSWIRE) -- Five Prime Therapeutics, Inc. (Nasdaq:FPRX), a clinical-stage biotechnology company focused on discovering and developing innovative protein therapeutics, announced that GSK exercised its option to take an exclusive license to the intellectual property related to a target under the respiratory diseases research collaboration between the companies, triggering a \$1.5 million license payment to Five Prime.

"GSK's decision to exercise the option to license Five Prime intellectual property with respect to a specific respiratory target further demonstrates the productivity and versatility of Five Prime's unique platform to identify novel targets in a wide range of major diseases," said Lewis T. "Rusty" Williams, M.D., Ph.D., president and chief executive officer of Five Prime. "This is one of several potential targets that Five Prime has identified under the research collaboration with GSK, which have the potential to result in novel medicines for the treatment of respiratory disease."

The respiratory diseases research collaboration with GSK was established in 2012 to identify new therapeutic approaches to treat refractory asthma and chronic obstructive pulmonary disease (COPD), with a particular focus on identifying novel therapeutic targets. The scope of the collaboration was expanded in April 2014 to include two additional respiratory disease discovery programs and the research term was recently extended through July 2016, which GSK committed to fund.

GSK will have sole responsibility for further development and commercialization of products that incorporate or target the licensed protein target, and for funding any preclinical studies, clinical development, manufacturing and commercialization. Five Prime is eligible to receive up to \$92.75 million in contingent milestone payments for each product that incorporates or targets the licensed protein. These potential milestone payments comprise preclinical and development-related contingent payments of up to \$22.25 million, regulatory-related contingent payments of up to \$31.0 million and commercial-related contingent payments of up to \$39.5 million.

GSK is also obligated to pay Five Prime tiered mid- to high-single digit royalties on net sales of each such product related to such target.

The Five Prime discovery platform includes a library of more than 5,700 extracellular proteins believed to encompass substantially all of the body's medically important targets for protein therapeutics. Five Prime is applying all aspects of its biologics discovery platform, including cell-based and in vivo screening, receptor-ligand matching technologies and bioinformatics, to probe its library comprehensively and systematically to discover and develop new therapeutic candidates.

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 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. Forward-looking statements contained in this press release include statements regarding (i) GSK's potential development and commercialization of products; 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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Source: Five Prime Therapeutics, Inc.

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