Exelixis Repays Deerfield Notes One Year Ahead of Maturity Date, Addressing Last Major Source of Indebtedness

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- Retiring Notes early saves $12 million in interest expense, net of termination fee -

- In 2016 and 2017, Exelixis retired more than $490 million of debt -

SOUTH SAN FRANCISCO, Calif.--(BUSINESS WIRE)--Jun. 29, 2017-- Exelixis, Inc. (Nasdaq:EXEL) today announced that it has addressed its last major source of indebtedness by retiring the Deerfield Notes, a series of Secured Convertible Notes originally issued in July 2010 to entities associated with Deerfield Management Company, L.P. Exelixis retired the Notes by making a $123.8 million payment to the Deerfield entities. The early retirement of the Deerfield Notes one year ahead of their July 2018 maturity date provides Exelixis with a savings of approximately $12 million in interest expense, net of the termination fee.

“Over the course of the last year, Exelixis has retired more than $490 million of corporate debt, significantly de-levering its balance sheet and enabling the company to plan for its future, which includes maximizing the opportunity for CABOMETYX to help patients, while also planning for the next generation of Exelixis medicines,” said Michael M. Morrissey, Ph.D., the company’s President and Chief Executive Officer. “Free of debt and with increasing cash flow, we now have the opportunity to fund our growth from our operations. We are in the early stages of resuming discovery operations and actively evaluating in-licensing opportunities to augment our oncology pipeline.”

In March of this year, Exelixis repaid a separate $80.0 million term loan with Silicon Valley Bank. In 2016, the company eliminated $287.5 million in debt when it retired a series of 4.25% Convertible Senior Subordinated Notes due 2019 originally issued in 2012.

About Exelixis

Exelixis, Inc. (Nasdaq: EXEL) is a biopharmaceutical company committed to the discovery, development and commercialization of new medicines to improve care and outcomes for people with cancer. Since its founding in 1994, three products discovered at Exelixis have progressed through clinical development, received regulatory approval, and entered the marketplace. Two are derived from cabozantinib, an inhibitor of multiple tyrosine kinases including MET, AXL and VEGF receptors: CABOMETYX™ tablets approved for previously treated advanced kidney cancer and COMETRIQ® capsules approved for progressive, metastatic medullary thyroid cancer. The third product, COTELLIC®, is a formulation of cobimetinib, a selective inhibitor of MEK, is marketed under a collaboration with Genentech (a member of the Roche Group), and is approved as part of a combination regimen to treat advanced melanoma. Both cabozantinib and cobimetinib have shown potential in a variety of forms of cancer and are the subjects of broad clinical development programs. For more information on Exelixis, please visit www.exelixis.com or follow @ExelixisInc on Twitter.

Forward-Looking Statements

This press release contains forward-looking statements, including, without limitation, statements related to: Exelixis' plan for the company’s future, which includes maximizing the opportunity for CABOMETYX to help patients, while also planning for the next generation of Exelixis medicines; Exelixis’ increasing cash flows; Exelixis’ opportunity to fund the company’s growth from operations; Exelixis’ commitment to the discovery, development and commercialization of new medicines to improve care and outcomes for people with cancer; the clinical potential of cabozantinib and cobimetinib in a variety of forms of cancer; and the continued development of cabozantinib and cobimetinib. Words such as “plan,” “next,” “committed,” potential,” or other similar expressions identify forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. These forward-looking statements are based upon Exelixis' current plans, assumptions, beliefs, expectations, estimates and projections. Forward-looking statements involve risks and uncertainties. Actual results and the timing of events could differ materially from those anticipated in the forward-looking statements as a result of these risks and uncertainties, which include, without limitation: the sufficiency of Exelixis’ cash resources; Exelixis' ability to conduct clinical trials of cabozantinib sufficient to achieve a positive completion; risks related to the potential failure of cabozantinib and cobimetinib to demonstrate safety and efficacy in clinical testing; risks and uncertainties related to regulatory review and approval processes; the degree of market acceptance of CABOMETYX and COMETRIQ; Exelixis' dependence on its relationship with its cabozantinib collaboration partners, including, the level of their investment in the resources necessary to successfully commercialize cabozantinib in the territories where it is approved; Exelixis' dependence on its relationship with Genentech/Roche with respect to cobimetinib and Exelixis' ability to maintain its rights under the collaboration; Exelixis' dependence on third-party vendors; Exelixis' ability to protect the company's intellectual property rights; market competition; changes in economic and business conditions, and other factors discussed under the caption “Risk Factors” in Exelixis' quarterly report on Form 10-Q filed with the Securities and Exchange Commission (SEC) on May 1, 2017, and in Exelixis' future filings with the SEC. The forward-looking statements made in this press release speak only as of the date of this press release. Exelixis expressly disclaims any duty, obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Exelixis' expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

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