Exelixis and StemSynergy Enter into Exclusive Licensing Agreement for the Discovery and Development of Novel Anticancer Therapies

January 8, 2018

–Companies will partner on preclinical activities and early-stage studies for program targeting Wnt signaling pathway –

–StemSynergy's novel approach has the potential to address a major pathway deregulated in many cancers –

SOUTH SAN FRANCISCO, Calif.--(BUSINESS WIRE)--Jan. 8, 2018-- Exelixis, Inc. (NASDAQ: EXEL) today announced that it has entered into an exclusive collaboration and license agreement with StemSynergy Therapeutics, Inc., (StemSynergy) for the discovery and development of novel oncology compounds targeting Casein Kinase 1 alpha (CK1α), a component of the Wnt signaling pathway implicated in key oncogenic processes. The agreement is part of Exelixis' ongoing strategy to build an innovative pipeline beyond its two internally-discovered, commercially available compounds, cabozantinib and cobimetinib.

Under the terms of the agreement, Exelixis will partner with StemSynergy to conduct preclinical and clinical studies with compounds from StemSynergy's CK1α Activator Program. Exelixis will pay StemSynergy an upfront payment of $3M and up to $3.5M in initial research and development funding. StemSynergy will be eligible for a variety of milestones for the first product to emerge from the collaboration, including preclinical and clinical development and regulatory milestone payments, commercial milestones, as well as single-digit royalties on worldwide sales. Exelixis will be solely responsible for the commercialization of products that arise from the collaboration.

"Supported by revenues from its commercial products and collaborations, Exelixis is on a growth trajectory and now actively focused on augmenting our pipeline both through targeted business development and internal drug discovery activities," said Peter Lamb, Ph.D., Executive Vice President, Discovery Research and Chief Scientific Officer of Exelixis. "CK1α activation is an underexplored and intriguing mechanism for addressing the Wnt/β-catenin axis, a major pathway deregulated in multiple cancers. We look forward to working with StemSynergy to advance this compelling program as we build the next generation of Exelixis medicines."

The CK1α Activator Program is representative of StemSynergy's focus on treating cancer by targeting developmental processes that are reactivated in cancer cells. The Wnt signaling pathway is a prominent example of this process: the pathway plays an important role in embryonic development, but can support oncogenic processes when deregulated in adult tissues. Activation of β-catenin, a key downstream component of the pathway, is increased in multiple tumors, including a majority of colorectal cancers, where mutations in the APC gene that result in beta-catenin stabilization are prevalent. CK1α Activator Program compounds have been shown to induce degradation of β-catenin and pygopus, another member of the pathway, in preclinical CRC models, and to inhibit the growth of tumors. Importantly, their GI-sparing qualities may help overcome limitations of other approaches targeting the Wnt pathway.

"StemSynergy is developing compounds that can specifically address developmental pathways reactivated in cancer cells to potentially deliver greater benefit to patients," said Anthony J. Capobianco, Ph.D., President and Co-Founder of StemSynergy. "Our CK1α Activator Program has been supported in part by the National Cancer Institute through the SBIR program. With deep drug discovery and development expertise and a proven track record of successfully bringing medicines to market, Exelixis is a natural partner for our CK1α Activator Program as it advances. We look forward to collaborating with the experienced Exelixis team to move the program forward."

About StemSynergy

StemSynergy Therapeutics is a biopharmaceutical company focused on the discovery and development of novel small-molecule drugs that target developmental pathways fundamental to cancer. Our mission is to optimize efficacy against developmental pathways that drive cancer cells, such as the Wnt, Sonic Hedgehog and Notch signaling pathways. For more information, visit www.stemsynergy.com.

About Exelixis

Founded in 1994, Exelixis, Inc. (NASDAQ: EXEL) is a commercially successful, oncology-focused biotechnology company that strives to accelerate the discovery, development and commercialization of new medicines for difficult-to-treat cancers. Following early work in model genetic systems, we established a broad drug discovery and development platform that has served as the foundation for our continued efforts to bring new cancer therapies to patients in need. We discovered our lead compounds, cabozantinib and cobimetinib, and advanced them into clinical development before entering into partnerships with leading biopharmaceutical companies in our efforts to bring them to patients globally. We are steadfast in our commitment to prudently reinvest in our business to maximize the potential of our pipeline. We intend to supplement our existing therapeutic assets with targeted business development activities and internal drug discovery – all to deliver the next generation of Exelixis medicines and help patients recover stronger and live longer. Exelixis recently earned a spot on Deloitte's Technology Fast 500 list, a yearly award program honoring the 500 fastest-growing companies over the past four years. For more information about Exelixis, please visit www.exelixis.com or follow @ExelixisInc on Twitter.

Forward-Looking Statement Disclaimer

This press release contains forward-looking statements, including, without limitation, statements related to: Exelixis' strategy to build an innovative

pipeline beyond cabozantinib and cobimetinib; Exelixis' plans to conduct preclinical and clinical studies with compounds from StemSynergy's CK1α Activator Program; Exelixis' immediate and potential future financial obligations under the collaboration and license agreement with StemSynergy; Exelixis' responsibility for the commercialization of products that arise from the collaboration and license agreement with StemSynergy; Exelixis' growth trajectory and focus on augmenting its pipeline both through targeted business development and internal drug discovery activities; the clinical and therapeutic potential of the StemSyngery CK1α Activator Program and ability to deliver greater benefit to patients; Exelixis' commitment to reinvesting in its business to maximize the potential of its pipeline; and Exelixis' mission to deliver the next generation of Exelixis medicines and help patients recover stronger and live longer. Words such as "strategy," "will," "focused," "look forward," "potential," "may," "commitment," "intend," 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: Exelixis' ability and the ability of its collaborators to conduct preclinical studies and clinical trials of the products in its pipeline sufficient to achieve a positive completion; risks related to the potential failure of the products in Exelixis' pipeline to demonstrate safety and efficacy in clinical testing; risks and uncertainties related to regulatory review and approval processes and Exelixis' compliance with applicable legal and regulatory requirements; the level of costs associated with Exelixis' commercialization, research and development and other activities; competition in the area of business development activities and the inherent uncertainty of the drug discovery process; Exelixis' dependence on its relationships 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; market acceptance of CABOMETYX, COMETRIQ, and COTELLIC and the availability of coverage and reimbursement for these products; Exelixis' dependence on third-party vendors for the development, manufacture and supply of its products; 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 November 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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