AnaptysBio and TESARO Announce Strategic Immuno-Oncology Antibody Collaboration

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SAN DIEGO, Calif. – AnaptysBio, Inc., a leader in the discovery and development of therapeutic antibodies, today announced a strategic immuno-oncology collaboration with TESARO, Inc. (NASDAQ: TSRO), an oncology-focused biopharmaceutical company. Under the terms of the agreement, AnaptysBio has granted TESARO exclusive rights to antibody programs targeting PD-1, TIM-3 and LAG-3, including monospecific and dual reactive antibody drug candidates. Antibody candidates from these programs are expected to enter clinical trials over the next 18 to 24 months.

Under the terms of this agreement, TESARO will pay an upfront license fee of $17 million, as well as provide funding of costs incurred by AnaptysBio related to the development programs. For each development program, AnaptysBio is eligible to receive milestone payments of $18 million if certain research and development events are achieved and an additional $90 million associated with certain U.S. and ex-U.S. regulatory submissions and approvals in multiple indications. AnaptysBio will also be eligible to receive tiered single-digit royalties related to worldwide net sales of products developed under the collaboration and certain commercial milestone payments if specified levels of annual worldwide net sales are attained. AnaptysBio and TESARO will together complete preclinical development of the antibody candidates, with TESARO being solely responsible for all clinical development, manufacturing, regulatory and commercial activities.

Each of the antibodies licensed under this collaboration has been developed using AnaptysBio's proprietary SHM-XEL platform. By replicating the natural process of somatic hypermutation in vitro, the platform permits rapid generation of high potency therapeutic antibodies selected for desired functional activity and robust biophysical properties. The SHM-XEL platform has been successful in generating therapeutic antibodies for AnaptysBio's internal pipeline and under various pharmaceutical company partnerships.

"AnaptysBio's SHM-XEL platform has generated highly potent therapeutic antibodies against multiple immuno-oncology checkpoint receptors. In addition to selecting for antibodies with optimal checkpoint antagonist function, our mammalian cell display system permits simultaneous selection for high antibody expression, stability and robust biophysical features required for successful development and ideal pharmacokinetic properties," said Hamza Suria, president and CEO of AnaptysBio. "Our programs attracted partnership proposals from several companies interested in developing novel immuno-oncology antibody combinations. We specifically chose to collaborate with TESARO because of its strategic focus in oncology and the proven expertise of TESARO's development team. We look forward to working with TESARO to advance these therapies to the clinic and deliver new treatment options for cancer patients."

Antibodies to immune checkpoint receptors have recently demonstrated promise in the treatment of various solid tumors, including metastatic melanoma, renal cell carcinoma and non-small cell lung cancer. Although the normal function of immune checkpoint receptors is to maintain immune homeostasis, they are co-opted by certain tumors to evade immune surveillance. By blocking the interaction of PD-1, TIM-3 and LAG-3 with their respective ligands, the antibodies exclusively licensed under this collaboration aim to restore immune function in cancer patients across a variety of tumor types.

"In our view, immunotherapy-based approaches are likely to transform the way that cancer is treated and may become the foundation of many future cancer therapy regimens," said Mary Lynne Hedley, president of TESARO. "The AnaptysBio platform offers unmatched capabilities in antibody discovery, generation and optimization, and we are excited about the potential for these programs. We look forward to working with the AnaptysBio team to develop novel immuno-oncology-based approaches to a variety of tumors."