



F-star Expands its Relationship with Merck through a new Strategic Collaboration to Develop Bispecific Antibodies in Immuno-Oncology

- **New strategic collaboration to develop and commercialise five bispecific immuno-oncology antibodies, including F-star's lead asset FS118**
- **F-star to receive up to €115 million over the first two years**
- **Merck has option to acquire the programmes, with potential deal value of over €1 billion**

Cambridge, UK – 04 June 2017 – F-star, a biopharmaceutical company developing novel bispecific antibodies, announces today a new partnership with Merck, a leading science and technology company, for the development and commercialisation of five bispecific immuno-oncology antibodies (mAb²™).

Under the agreement and upon delivery of pre-defined data packages, Merck has the option to acquire five of F-star's bispecific programmes. This option includes exclusive development and commercialisation rights to F-star's preclinical lead asset FS118, which is designed to block LAG-3 (Lymphocyte-Activation Gene 3) and PD-L1 (Programmed Death-Ligand 1), two pathways commonly used by cancer cells to evade the immune system. In a preclinical model, F-star has demonstrated that FS118 could improve efficacy compared to monotherapy combinations, which supports the potential to initiate a clinical development programme (1).

Upon option exercise, in addition to FS118, F-star grants Merck exclusive development and commercial rights to four novel bispecific antibodies targeting specific pathways to augment the anti-tumour immune response. In return, Merck will pay up to €115m in upfront, R&D funding and milestone payments in the first two years, and make further payments upon exercising its option and based on milestones.

John Haurum, CEO of F-star, said: *"This immuno-oncology collaboration expands our strong relationship with Merck and is a further validation of the potential of F-star's bispecific antibody platform. Our vision is to transform the treatment of cancer. This is the objective of partnering our lead asset FS118 and other next-generation immuno-oncology compounds with Merck.*

This deal also underscores the attractiveness of our asset-centric business model, which provides a flexible deal-making framework whilst at the same time maximising the value of F-star's bispecific programmes and technology platform. This approach also provides us with additional non-dilutive cash to support our investment in the development of our own pipeline of bispecific antibodies, with a strong focus on immuno-oncology."

This collaboration with Merck is held within F-star's fourth asset centric vehicle, F-star Delta. Upon the delivery of a pre-defined data package, Merck has an option to acquire the bispecific programmes through the acquisition of F-star Delta and will make further payments upon option exercise as well as milestones with the potential total deal value reaching over €1 billion.

Luciano Rossetti, Executive Vice President, Global Head of Research & Development at the biopharma business of Merck, commented: *“Our collaboration with F-star will help us to rapidly enhance our pipeline and grow our portfolio of bispecific immunotherapies. This deal complements our internal capabilities in immuno-oncology and positions us as a potential leader in this important area of research.”*

(1) [Poster at the 2016 annual SITC meeting, National Harbor, Maryland, USA](#)

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About F-star

F-star is a clinical-stage biopharmaceutical company developing bispecific antibody immuno-oncology products selected for their potential to transform the treatment of cancer. Through the application of its highly efficient Modular Antibody Technology™ platform, F-star is the only biotechnology company able to rapidly create bispecific antibodies with properties virtually identical to a typical antibody. This offers unprecedented ease in the discovery, development, and manufacturing of bispecific antibody products. F-star has currently one programme in the clinic with a second immuno-oncology programme heading toward IND. The Company has built a comprehensive IP estate around its technology and product pipeline, with over 50 patent applications filed and over 25 granted patents.

F-star’s management team has a well-established track record in building successful biotech companies, and developing biologics. The team is advised by a world-leading scientific advisory board and a highly experienced board of directors. The strength of the technology and programmes has been leveraged through partnerships with leading biopharmaceutical companies including AbbVie, Merck KGaA and Denali Therapeutics. F-star has raised close to \$200M in non-dilutive capital and revenues. The company currently employs over 80 people at its research site in Cambridge, UK.

For more information visit www.f-star.com

About Merck

Merck is a leading science and technology company in healthcare, life science and performance materials. Around 50,000 employees work to further develop technologies that improve and enhance life – from biopharmaceutical therapies to treat cancer or multiple sclerosis, cutting-edge systems for scientific

research and production, to liquid crystals for smartphones and LCD televisions. In 2016, Merck generated sales of € 15.0 billion in 66 countries.

Founded in 1668, Merck is the world's oldest pharmaceutical and chemical company. The founding family remains the majority owner of the publicly listed corporate group. Merck holds the global rights to the Merck name and brand. The only exceptions are the United States and Canada, where the company operates as EMD Serono, MilliporeSigma and EMD Performance Materials.