



Jounce Therapeutics Announces Update on Strategic Collaboration with Celgene Corporation

July 23, 2019

- Celgene licenses JTX-8064, resulting in \$50.0 million upfront payment to Jounce -

- Jounce retains full worldwide rights to vopratelimab, JTX-4014 and all discovery programs -

- Company to host conference call and webcast today at 5:00 p.m. ET -

CAMBRIDGE, Mass., July 23, 2019 (GLOBE NEWSWIRE) -- Jounce Therapeutics, Inc. (NASDAQ: JNCE), a clinical-stage company focused on the discovery and development of novel cancer immunotherapies and predictive biomarkers, today announced an update on its strategic collaboration with Celgene Corporation (NASDAQ: CELG), originally established in July 2016. Under the terms of a new license agreement, Celgene has licensed worldwide rights to JTX-8064, a highly-selective, potential first-in-class antibody that targets the LILRB2 receptor on macrophages. Jounce retains full worldwide rights to its pipeline beyond JTX-8064, including vopratelimab, JTX-4014 and all discovery programs, as Jounce and Celgene have also entered into a mutual agreement to terminate their original strategic collaboration agreement.

Under the terms of the new license agreement for JTX-8064, Jounce receives a \$50.0 million non-refundable license fee and is eligible to receive from Celgene up to \$480 million in development, regulatory and commercial milestone payments, as well as royalties on potential worldwide sales. Celgene will be responsible for all development and commercialization of JTX-8064.

"We are grateful for Celgene's investment and support of Jounce over the past three years as it has helped us grow our diversified pipeline and further enhance our translational science platform. We are proud of the many accomplishments we have achieved under the original agreement with Celgene and remain committed to developing innovative immunotherapies for patients with cancer," said Richard Murray, Ph.D., chief executive officer and president of Jounce Therapeutics. "The discovery and development of JTX-8064 showcases the strength of our translational science platform, validating our approach to discovering novel immunotherapies for patients in need. We look forward to the advancement of JTX-8064 by Celgene. Most importantly, we retain full global rights to all of our other programs, including vopratelimab, giving Jounce greater flexibility to create value for patients and shareholders moving forward. In addition to our ongoing clinical development programs, we are also poised to expand our broader pipeline and advance additional novel immunotherapy programs based on our translational science platform."

"We are pleased to have collaborated with Jounce for the last three years, and to continue our relationship with the licensing of worldwide rights to JTX-8064, a novel macrophage program coming from Jounce's innovative, translational science platform," said Robert Hershberg, executive vice president and head of business development of Celgene. "We look forward to advancing its development toward an IND filing."

Clinical Program Guidance:

Jounce is currently enrolling patients in the Phase 2 EMERGE clinical trial of vopratelimab in combination with ipilimumab in patients with non-small cell lung cancer or urothelial cancer who have progressed on or after PD-1/PD-L1 inhibitor therapies. Jounce expects to report preliminary efficacy data and biomarker relationships to clinical outcomes from EMERGE in 2020.

Jounce is also currently conducting a Phase 1 clinical trial of JTX-4014, its PD-1 inhibitor. This Phase 1 clinical trial is nearing completion, and Jounce remains on track to identify the recommended Phase 2 dose of JTX-4014 in 2019.

Revised Financial Guidance:

As a result of the changes to the Celgene strategic collaboration, Jounce now expects to record approximately \$50.0 million in cash revenue in 2019 related to the license of JTX-8064 and approximately \$98.0 million in non-cash revenue in 2019 representing the remaining recognition of the upfront payment received in July 2016.

Based on its operating and development plans Jounce continues to expect gross cash burn on operating expenses and capital expenditures for the full year 2019 to be approximately \$80.0 million to \$95.0 million.

Conference Call and Webcast Information:

Jounce Therapeutics will host a live conference call and webcast today at 5:00 p.m. ET. To access the conference call, please dial (866) 916-3380 (domestic) or (210) 874-7772 (international) and refer to conference ID 6684846. The live webcast can be accessed under "Events & Presentations" in the Investors and Media section of the company's website at www.jouncetx.com. The webcast will be archived and made available for replay on the company's website approximately two hours after the call and will be available for 30 days.

About Vopratelimab

Jounce's lead product candidate, vopratelimab (formerly JTX-2011), is a clinical-stage monoclonal antibody that binds to and activates ICOS, the Inducible T cell **CO**Stimulator, a protein on the surface of certain T cells commonly found in many solid tumors. Vopratelimab was assessed in a Phase 1/2 clinical trial that we refer to as ICONIC. In the initial Phase 1/2 portion of ICONIC, vopratelimab was found to be safe and well-tolerated, both alone and in combination with nivolumab, an anti-PD-1 antibody. At the June 2018 annual meeting of the American Society of Clinical Oncology, we reported Response Evaluation Criteria in Solid Tumors, or RECIST, responses and other tumor reductions as determined by investigator assessment that were associated with an ICOS pharmacodynamic biomarker. We subsequently reported that these responses were durable, lasting six or more months and that all responders, as determined by investigator assessments, remained on study for more than one year. ICONIC also included dose-escalation Phase 1 portions to assess vopratelimab in combination with pembrolizumab, an anti-PD-1 antibody, and in combination with ipilimumab, an antibody that binds to CTLA-4 on certain T cells. This Phase 1 portion established the safety of vopratelimab in combination with each of ipilimumab and pembrolizumab.

About JTX-4014

JTX-4014 is a well-characterized fully human IgG4 monoclonal antibody designed to block binding to PD-L1 and PD-L2. Jounce is developing JTX-4014 for potential use in combination with its pipeline of future product candidates. JTX-4014 is currently in Phase 1 clinical development, which is nearing completion.

About JTX-8064

JTX-8064 is an anti-Leukocyte Immunoglobulin Like Receptor B2 (LILRB2) antibody and is the first candidate to emerge from Jounce's Translational Science Platform efforts that focuses on tumor-associated macrophages. Preclinical data presented at the 2019 American Association for Cancer Research Annual Meeting supports the development of JTX-8064 as a novel immunotherapy to reprogram immune-suppressive macrophages and enhance anti-tumor immunity.

About Jounce Therapeutics

Jounce Therapeutics, Inc. is a clinical-stage immunotherapy company dedicated to transforming the treatment of cancer by developing therapies that enable the immune system to attack tumors and provide long lasting benefits to patients. Through the use of its Translational Science Platform, Jounce first focuses on specific cell types within the human tumor microenvironment to prioritize targets, and then identifies related biomarkers designed to match the right immunotherapy to the right patient. Jounce has two clinical product candidates, vopratelimab, a monoclonal antibody that binds to and activates ICOS and JTX-4014, a monoclonal antibody that binds to PD-1 and for potential use in combination with Jounce's pipeline of future product candidates. In addition, Jounce is progressing numerous novel discovery stage programs. For more information, please visit www.jouncetx.com.

Forward-Looking Statements

Statements in this release concerning Jounce's future expectations and plans, including without limitation, Jounce's clinical development strategy may constitute forward looking statements for the purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995 and other federal securities laws and are subject to substantial risks, uncertainties and assumptions. You should not place reliance on these forward-looking statements, which include words such as "believe," "expect," "aims," "anticipates," "intend," "may," "potential" or similar terms, variations of such terms or the negative of those terms. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, the Company cannot guarantee such outcomes. Actual results may differ materially from those indicated by these forward-looking statements as a result of various important factors, as well as those risks more fully discussed in the section entitled "Risk Factors" in Jounce's most recent annual report on Form 10-K or quarterly report on Form 10-Q, as well as discussions of potential risks, uncertainties, and other important factors in Jounce's subsequent filings with the U.S. Securities and Exchange Commission. All such statements speak only as of the date made, and the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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