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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

**Date of report (Date of earliest event reported): February 13, 2018**

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**NEKTAR THERAPEUTICS**  
(Exact Name of Registrant as Specified in Charter)

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**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**0-24006**  
(Commission  
File Number)

**94-3134940**  
(IRS Employer  
Identification No.)

**455 Mission Bay Boulevard South**  
**San Francisco, California 94158**  
(Address of Principal Executive Offices and Zip Code)

**Registrant's telephone number, including area code: (415) 482-5300**

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 1.01 Entry into a Material Definitive Agreement.****Collaboration**

On February 13, 2018, Nektar Therapeutics, a Delaware corporation (“Nektar”), entered into a Strategic Collaboration Agreement (the “Collaboration Agreement”) with Bristol-Myers Squibb Company, a Delaware corporation (“BMS”). Pursuant to the Collaboration Agreement, Nektar and BMS will jointly develop NKTR-214, an IL-2 based CD122-biased agonist (“NKTR-214”), including, without limitation, in combination with BMS’s *Opdivo*® (nivolumab) and *Opdivo*® plus *Yervoy*® (ipilimumab), and other compounds of BMS, Nektar, or any third party. The parties have agreed to jointly commercialize NKTR-214 on a worldwide basis.

Under the terms of the Collaboration Agreement, BMS will make a non-refundable upfront cash payment of \$1 billion to Nektar. Nektar is eligible to receive additional cash payments of a total of up to \$1.43 billion upon achievement of certain development and regulatory milestones and a total of up to \$350 million upon achievement of certain sales milestones. Nektar will book all worldwide sales and revenue for NKTR-214. Nektar and BMS will share global commercialization profits and losses for NKTR-214, with Nektar sharing 65% and BMS sharing 35% of the net profits and losses. For any commercialization losses incurred in any calendar quarter during the 12 calendar quarters after the first commercial sale of NKTR-214 (the “First Commercial Sale”), an additional 15% of such loss will be borne by BMS (i.e. the parties will share losses 50/50 basis) and carried over to be set off against Nektar’s 65% of the net profits in the subsequent quarters. BMS will lead commercialization for combinations of NKTR-214 with BMS proprietary medicines, and Nektar will lead all other commercialization efforts for NKTR-214. Nektar will have the final decision-making authority regarding the pricing for NKTR-214. NKTR-214 will be sold on a stand-alone basis and there will be no fixed-dose combinations or co-packaging without the consent of both parties.

Pursuant to a Share Purchase Agreement entered into by Nektar and BMS on February 13, 2018 (the “Purchase Agreement”), BMS has also agreed to purchase \$850 million of shares of Nektar common stock (“Common Stock”) at a purchase price of \$102.60 per share representing a 30% premium to the volume weighted average price of Common Stock over the 20 trading days prior to the date of execution of the Purchase Agreement. The closing of the share purchase under the Purchase Agreement is subject to the expiration or early termination of the waiting period (and any extension thereof) under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (“HSR Clearance”) and other customary closing conditions. The closings of the Collaboration Agreement and the Share Purchase Agreement will be simultaneous and are expected to occur during the second quarter of 2018 (the date of the closings, the “Closing Date”). A summary of the Purchase Agreement and the transactions contemplated thereby is set forth in the section titled “*Equity Placement*” below in this Item 1.01.

Nektar and BMS will collaborate to develop and conduct clinical studies of NKTR-214 pursuant to a joint development plan, which initially includes a series of registration-enabling trials in more than 20 indications in nine tumor types and may be updated and expanded only upon mutual agreement of the parties. The parties will share the development costs for NKTR-214 in combination regimens based on each party’s relative ownership interest in the compounds included in the regimen. For example, the parties will share development costs for NKTR-214 in combination with *Opdivo*®, BMS 67.5% and Nektar 32.5%, for NKTR-214 in a triplet combination with *Opdivo*® and *Yervoy*®, BMS 78% and Nektar 22%, and for NKTR-214 combined with NKTR-262, BMS 17.5% and Nektar 82.5%. Nektar’s share of such development costs are limited to an annual cap of \$125 million. If Nektar’s share of development costs exceeds the annual cap in any given calendar year, Nektar will reimburse BMS for an amount equal to any such unreimbursed excess (i) in cash payment to BMS in any subsequent year before the First Commercial Sale, during which year the development costs are lower than the annual cap, but only to the extent of such difference, and (ii) by reducing Nektar’s share of the net profits of NKTR-214 sales following the First Commercial Sale, subject to certain annual limitations on the amount to be reduced, unless Nektar voluntarily chooses to reimburse BMS in advance of the foregoing schedule. In the event that NKTR-214 does not achieve regulatory approval after completion of all development efforts, BMS will be responsible for any excess development costs that have not been repaid by Nektar.

During the period from the Closing Date until the later of (i) the First Commercial Sale or (ii) the third anniversary of the Closing Date (the “Limited Indication Exclusivity Term”), neither BMS nor Nektar will develop a therapy using an IL-2 agonist in combination with a small or large molecule that binds to the PD(L)-1 target (and in certain indications the anti-CTLA4 target), in indications included in the joint development plan (each, a “Competing Combination”), whether on its own or in collaboration with any third party. During the three years after the end of the Limited Indication Exclusivity Term, neither Nektar nor BMS may develop a Competing Combination in collaboration with any third party, but each party may do so

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on its own as a stand-alone entity and, if such party is acquired, the acquiring party is free to develop a Competing Combination with its proprietary compounds. If a registration-enabling study included in the joint development plan does not have the first patient enrolled prior to the date which is 14 months from the effective date of the Collaboration Agreement (subject to allowable delays), the indication covered by that study is no longer subject to exclusivity. Other than as described in the foregoing, Nektar may independently develop and commercialize NKTR-214 either alone or in combination with other Nektar proprietary compounds or third party compounds.

Nektar will be solely responsible for NKTR-214 manufacturing. BMS has an option to obtain the right to manufacture NKTR-214 following a change of control of Nektar and under certain other limited circumstances. Nektar and BMS will be responsible for 65% and 35%, respectively, of the NKTR-214 clinical development manufacturing costs. BMS will contribute its proprietary compounds to the joint development plan at no cost to the collaboration and at no cost to Nektar for combination with NKTR-214 and other Nektar proprietary assets subject to certain quantity limitations.

In the event of a change of control of either party, the acquiring party is bound by all the terms and conditions of the Collaboration Agreement with no economic or other adjustments. If following a change of control of Nektar, the acquiring entity has a proprietary medicine that is approved or in registrational clinical trials with the same mechanism of action as a BMS proprietary medicine combined with NKTR-214 under the Collaboration Agreement, then certain commercialization information sharing rights will end following the acquisition, provided that the right of the acquiring party to promote NKTR-214 for all of its approved indications, including with BMS proprietary medicines, remains unaffected.

Each party will grant to the other party a non-exclusive, worldwide, non-transferable and royalty-free license under the licensing party's related patent rights, technology and regulatory documentation for the sole purpose of developing NKTR-214 under the Collaboration Agreement. For the sole purpose of allowing the parties to exercise their commercialization rights and responsibilities under the Collaboration Agreement, each party will also grant to the other party a co-exclusive (in the case of Nektar's license) or non-exclusive (in the case of BMS's license), worldwide, non-transferable and royalty-free license under the licensing party's related patent rights, technology and regulatory documentation.

The Collaboration Agreement will become effective on the Closing Date and expire upon the expiration of (i) the last to expire patent rights covering a Nektar Compound with respect to the parties' obligation to collaborate in the development of NKTR-214 and (ii) all payment obligations under the Collaboration Agreement for all other matters. The Collaboration Agreement may be terminated upon either party's uncured material breach or bankruptcy, and a clinical trial may be terminated early for a material safety issue or clinical hold. BMS has the right to terminate the Collaboration Agreement in its entirety (but not in part) without cause at any time (a) upon a six-month prior notice after the completion or discontinuation of all of the clinical trials listed in the joint development plan in the event no regulatory approval is obtained on the basis of the results of any of such trials, (b) upon a six-month prior notice after the First Commercial Sale in the event of a change of control of Nektar or (c) upon a 12-month prior notice after the first anniversary of the First Commercial Sale.

The foregoing summary does not purport to be complete and is qualified in its entirety by reference to the Collaboration Agreement, a copy of which, subject to any applicable confidential treatment, will be filed as an exhibit to Nektar's Quarterly Report on Form 10-Q for the fiscal quarter ending March 31, 2018.

#### *Equity Placement*

On February 13, 2018, Nektar entered into the Purchase Agreement with BMS, pursuant to which Nektar has agreed to sell to BMS, at the Closing, 8,284,600 shares of Common Stock (the "Shares") for total cash consideration of \$850 million, or \$102.60 per share of Common Stock representing a 30% premium to the volume weighted average price of Common Stock over the 20 trading days prior to the date of execution of the Purchase Agreement. The Purchase Agreement contains customary representations, warranties and covenants of each party. Prior to the Closing, the Purchase Agreement may be terminated (i) by mutual written consent of both parties, or (ii) by either party if the Closing has not occurred within nine months of the date of the Purchase Agreement.

Concurrently with the entering into of the Purchase Agreement, Nektar entered into with BMS an Investor Agreement (the "Investor Agreement") on February 13, 2018. Pursuant to the Investor Agreement, BMS will not dispose of any of the Shares for a period commencing on the Closing Date through the fifth anniversary thereof (the "Lock-Up Period"). In addition, BMS will be bound by standstill provisions for a period from the date of the Investor Agreement through the fifth anniversary of the Closing Date (the "Standstill Term"), unless earlier terminated pursuant to the Investor Agreement. Subject to certain exceptions, the standstill provisions generally prevent BMS from acquiring beneficial ownership of shares of Common Stock, calling any meeting of Nektar's stockholders or proposing for election a director whose nomination has not been approved by Nektar's board of directors (the "Board of Directors"), supporting a third party tender or other offer, soliciting proxies in

opposition to the recommendation of the Board of Directors, proposing any merger, tender offer, or other extraordinary transactions with respect to Nektar, acting in concert or negotiating with a third party in taking such actions, or requesting to amend or waive any of these restrictions. The standstill provisions will terminate upon the expiration or termination of the Collaboration Agreement (unless due to an uncured material breach by BMS), any person becoming the beneficial owner of 35% or more of Nektar's outstanding shares and filing a Schedule 13D declaring any control purpose, any person commencing a tender or exchange offer which if consummated, would make such person the beneficial owner of 35% or more of Nektar's outstanding shares and the Board of Directors does not recommend against Nektar's stockholders tendering shares into, or Nektar entering into a definitive agreement that would result in a change of control of Nektar. The standstill provisions do not prohibit BMS from submitting to Nektar at any time a non-public proposal to acquire Nektar or all or substantially all of its assets.

Further, during the Standstill Term, unless earlier terminated upon a change of control of Nektar or certain other transactions, BMS has agreed to vote all of its shares of Nektar in accordance with the recommendations of the Board of Directors except in connection with certain change of control transactions in which BMS participates in the transaction process.

For five years following the expiration of the Lock-Up Period, BMS will have two demand rights to require Nektar to prepare and file with the Securities and Exchange Commission (the "SEC") a registration statement on Form S-3 or other appropriate form. If Nektar proposes to grant to any other stockholders the right to include their shares of capital stock of Nektar in a registration statement for the sale by Nektar of its equity securities, BMS will be entitled to participate in such offering on a pro rata basis, subject to customary exceptions. Nektar has agreed to indemnify BMS under the registration statement for customary liabilities and to pay registration fees and expenses. The registration rights of BMS under the Investor Agreement will terminate if there are no registrable securities outstanding or BMS and affiliates together own less than 0.5% of the outstanding shares of Common Stock.

The foregoing summary does not purport to be complete and is qualified in its entirety by reference to the Purchase Agreement, a copy of which is filed as Exhibit 10.1 to this Current Report on Form 8-K, and the Investor Agreement, a copy of which, subject to any applicable confidential treatment, will be filed as an exhibit to Nektar's Quarterly Report on Form 10-Q for the fiscal quarter ending March 31, 2018.

#### **Item 1.02 Termination of a Material Definitive Agreement.**

As previously reported on the Current Report on Form 8-K filed by Nektar with the SEC on September 27, 2016, Nektar and BMS entered into that certain Clinical Trial Collaboration Agreement dated as of September 21, 2016 (the "Clinical Trial Agreement"), pursuant to which Nektar and BMS agreed to collaborate to conduct Phase 1/2 clinical trials evaluating NKTR-214, and BMS's human monoclonal antibody that binds PD-1, known as nivolumab, as a potential combination treatment regimen in five tumor types and seven potential indications, and such other clinical trials evaluating the combined therapy as may be mutually agreed upon by the parties.

The Clinical Trial Agreement will terminate and be superseded and replaced by the Collaboration Agreement, a summary of which is set forth in the section titled "*Collaboration*" in Item 1.01 of this Current Report on Form 8-K, as of the Closing Date.

#### **Item 3.02 Unregistered Sales of Equity Securities.**

As described in the section titled "*Equity Placement*" in Item 1.01 of this Current Report on Form 8-K, which is incorporated in this Item 3.02 by reference, Nektar will sell 8,284,600 shares of Common Stock to BMS at the Closing pursuant to the Purchase Agreement, subject to satisfaction or waiver of the closing conditions set forth therein. The offer, sale, and issuance of the Shares will occur in a private placement exempt from registration pursuant to Section 4(a)(2) of the Securities Act, or Regulation D promulgated thereunder, as transactions by an issuer not involving a public offering. The purchaser of the Shares will acquire the Shares for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends will be affixed to the Shares. Based on the shares of Common Stock outstanding as of February 13, 2018, the Shares will represent approximately 4.9% of the outstanding shares of Common Stock.

#### **Item 7.01 Regulation FD Disclosure.**

On February 14, 2018, Nektar and BMS issued a joint press release titled "Bristol-Myers Squibb and Nektar Therapeutics Announce Global Development & Commercialization Collaboration for Nektar's CD122-biased Agonist, NKTR-214," a copy of which is being furnished as Exhibit 99.1 to this Report on Form 8-K. The information in this Item 7.01, including Exhibit 99.1 attached hereto, is intended to be furnished and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act. The information contained herein and in Exhibit 99.1 attached hereto shall not be incorporated by reference into any filing with the SEC made by Nektar, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

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## FORWARD LOOKING STATEMENTS

In this Current Report on Form 8-K, Nektar makes certain forward-looking statements regarding the collaboration with BMS and the sale of the Shares to BMS. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on Nektar's current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of Nektar's control. Nektar's actual results may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause the actual results to differ materially from those indicated in the forward-looking statements include, among others: (i) the HSR Clearance may not be obtained or other customary closing conditions contemplated by the Purchase Agreement may not be satisfied or waived; (ii) the Collaboration Agreement may be early terminated pursuant to its terms, including termination by BMS without cause pursuant to the terms thereof upon a six-month prior notice after the completion or discontinuation of all of the clinical trials listed in the joint development plan in the event no regulatory approval is obtained on the basis of the results of any of such trials; (iii) the statements regarding the therapeutic potential of NKTR-214 are based on preclinical findings and early observations from the ongoing Phase 1/2 clinical study for NKTR-214; (iv) NKTR-214 is in early-stage clinical development and there are substantial risks that can unexpectedly occur for numerous reasons including negative safety and efficacy findings in the ongoing Phase 1 clinical study notwithstanding positive findings in preclinical studies; (v) Nektar's drug candidates and those of its collaboration partners are in various stages of clinical development and the risk of failure is high and can unexpectedly occur at any stage prior to regulatory approval for numerous reasons, including negative safety and efficacy findings even after positive findings in previous preclinical and clinical studies; (vi) the timing of the commencement or end of clinical trials and the availability of clinical data may be delayed or unsuccessful due to regulatory delays, slower than anticipated patient enrollment, manufacturing challenges, changing standards of care, evolving regulatory requirements, clinical trial design, clinical outcomes, competitive factors, or delay or failure in ultimately obtaining regulatory approval in one or more important markets; (vii) scientific discovery of new medical breakthroughs is an inherently uncertain process and the future success of applying our technology platform to potential new drug candidates (such as NKTR-214) is therefore highly uncertain and unpredictable and one or more research and development programs could fail; (viii) patents may not issue from our patent applications for our drug candidates including NKTR-214, patents that have issued may not be enforceable, or additional intellectual property licenses from third parties may be required; (ix) BMS and Nektar may not be successful in obtaining regulatory approval of NKTR-214; (x) competing alternative therapies that are currently on the market or under development could reduce the commercial potential of the products which could materially reduce Nektar's sales milestones under the Collaboration Agreement; and (xi) other important risks and uncertainties set forth in Nektar's reports and other filings with the SEC, including its most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q. Nektar undertakes no obligation to update forward-looking statements, whether as a result of new information, future events or otherwise.

### Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<b>Exhibit Number</b>	<b>Description</b>
10.1#	<a href="#">Share Purchase Agreement dated February 13, 2018, by and between Nektar Therapeutics and Bristol-Myers Squibb Company.</a>
99.1	<a href="#">Joint press release issued on February 14, 2018, by Nektar Therapeutics and Bristol-Myers Squibb Company titled "Bristol-Myers Squibb and Nektar Therapeutics Announce Global Development &amp; Commercialization Collaboration for Nektar's CD122-biased Agonist, NKTR-214."</a>

# The representations and warranties contained in this agreement were made only for purposes of the transactions contemplated by the agreement as of specific dates and may have been qualified by certain disclosures between the parties and a contractual standard of materiality different from those generally applicable under securities laws, among other limitations. The representations and warranties were made for purposes of allocating contractual risk between the parties to the agreement and should not be relied upon as a disclosure of factual information relating to Nektar Therapeutics, Bristol-Myers Squibb Company or the transactions described in this Current Report on Form 8-K.

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**SIGNATURES**

Pursuant to the requirement of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: February 14, 2018

By: /s/ Mark A. Wilson

Mark A. Wilson

*General Counsel and Secretary*

## SHARE PURCHASE AGREEMENT

THIS SHARE PURCHASE AGREEMENT (this "**Agreement**"), is made as of February 13, 2018, by and between Bristol-Myers Squibb Company, a Delaware corporation (the "**Investor**"), and Nektar Therapeutics, a Delaware corporation (the "**Company**").

WHEREAS, concurrently with the entering into of this Agreement, the Company and the Investor are entering into that certain Strategic Collaboration Agreement dated as of the date of this Agreement (the "**Collaboration Agreement**");

WHEREAS, pursuant to the terms and subject to the conditions set forth in this Agreement, the Company desires to issue and sell to the Investor, and the Investor desires to subscribe for and purchase from the Company, at the Closing (as defined below), 8,284,600 shares (the "**Shares**") of common stock, par value \$0.0001 per share, of the Company ("**Common Stock**"); and

WHEREAS, concurrently with the entering into of this Agreement, the Company and the Investor are entering into that certain Investor Agreement attached hereto as Exhibit A (the "**Investor Agreement**");

NOW, THEREFORE, in consideration of the following mutual promises and obligations, and for good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, the Investor and the Company agree as follows:

1. **Definitions.**

1.1 **Defined Terms.** When used in this Agreement, the following terms shall have the respective meanings specified therefor below:

"**Affiliate**" means, with respect to a specified Person, any other Person which controls, is controlled by or is under common control with the applicable Person. As used herein, "controls", "control" and "controlled" means the possession, direct or indirect, of the power to direct the management and policies of a Person, whether through the ownership of voting interests of such Person, through Contract or otherwise; provided that the Company and its subsidiaries shall not be deemed Affiliates of the Investor or its subsidiaries.

"**Agreement**" shall have the meaning set forth in the Preamble, including all exhibits attached hereto.

"**Antitrust Laws**" means any federal, state or foreign law, regulation or decree, including the HSR Act, designed to prohibit, restrict or regulate actions for the purpose or effect of monopolization or restraint of trade.

"**Business Day**" means a day on which commercial banking institutions in San Francisco, California and New York, New York are open for business.

"**Collaboration Agreement**" has the meaning set forth in the recitals.

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“**Develop**” (and any variation thereof, including “**Development**”) has the meaning set forth in the Collaboration Agreement.

“**DOJ**” means the U.S. Department of Justice.

“**Employee Stock Purchase Plan**” means the Nektar Therapeutics Employee Stock Purchase Plan, as amended and restated.

“**Equity Agreements**” means this Agreement and the Investor Agreement.

“**Equity Incentive Plans**” means, collectively, the Nektar Therapeutics 2000 Non-Officer Equity Incentive Plan, as amended and restated, the Nektar Therapeutics 2000 Equity Incentive Plan, as amended and restated, the Nektar Therapeutics 2008 Equity Incentive Plan, as amended and restated, the Nektar Therapeutics 2012 Performance Incentive Plan and the Nektar Therapeutics 2017 Performance Incentive Plan.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended.

“**FTC**” means the U.S. Federal Trade Commission.

“**Governmental Authority**” means any applicable government authority, court, tribunal, arbitrator, agency, department, legislative body, commission or other instrumentality of (a) any government of any country or territory, (b) any nation, state, province, county, city or other political subdivision thereof or (c) any supranational body.

“**HSR Act**” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

“**Investor Agreement**” has the meaning set forth in the recitals.

“**Law**” or “**Laws**” means all applicable laws, statutes, rules, codes, regulations, orders, judgments, decrees, injunctions, awards, rulings and/or ordinances of any Governmental Authority, including under common law.

“**Material Adverse Effect**” means any change, event, circumstance, occurrence or development that, individually or in the aggregate, results in a material adverse effect on the business, operations, assets or condition (financial or otherwise) of the Company and its subsidiaries, taken as a whole; provided, however, that no change, event, circumstance, occurrence or development resulting from the following shall be deemed (either alone or in combination) to constitute or shall be taken into account in determining whether there has been or may be a Material Adverse Effect: (a) changes in conditions in the United States or global economy or capital or financial markets generally, including changes in interest or exchange rates, (b) changes in general legal, regulatory, political, economic or business conditions that, in each case, generally affect the biotechnology or biopharmaceutical industries, (c) changes in, or effects arising from or relating to changes in, Laws or accounting rules (including GAAP) or any interpretation thereof, (d) the announcement of, entry into or pendency of, actions required or contemplated by or performance of obligations under, the Equity Agreements or the Collaboration Agreement or the transactions contemplated hereby or thereby, or the identity of



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the Investor, (e) any change in the trading prices or trading volume of Common Stock, (f) acts of war, hostility, sabotage, cyber attack, military action or terrorism, or any escalation or worsening of any such acts of war, hostility, sabotage, cyber attack, military action or terrorism, (g) earthquakes, hurricanes, floods or other natural disasters, (h) any action taken, or failed to be taken, by the Company at the request or with the consent of the Investor or otherwise in compliance with the terms of this Agreement, (i) any action taken by the Investor or its Affiliates with respect to any transaction contemplated by the Equity Agreements or the Collaboration Agreement or any transaction contemplated hereby or thereby, or any breach, violation or non-performance by the Investor or any of its Affiliates hereunder or thereunder, or (j) any change, event, circumstance, occurrence or development with respect to any compound or product of the Company other than NKTR-214; except, with respect to clauses (a), (b), (c), (f) and (g), any such change, event, circumstance, occurrence or development has a materially disproportionate and adverse effect on the Company and its Subsidiaries, taken as a whole, relative to other companies in the biotechnology or biopharmaceutical industries.

“**Merger Control Authorities**” means all relevant Governmental Authorities under applicable Antitrust Laws, including the FTC and DOJ.

“**NKTR-214**” means NKTR-214, as described in Schedule 1.157(a) attached to the Collaboration Agreement.

“**Organizational Documents**” means (i) the Certificate of Incorporation of the Company, as amended and restated from time to time and as in effect as of the date of this Agreement, and (ii) the Amended and Restated Bylaws of the Company dated April 11, 2014, as in effect as of the date of this Agreement.

“**Person**” means any individual, partnership, limited liability company, firm, corporation, association, trust, unincorporated organization, government or any department or agency thereof or other entity, as well as any syndicate or group that would be deemed to be a Person under Section 13(d)(3) of the Exchange Act.

“**Securities Act**” means the Securities Act of 1933, as amended.

“**Third Party**” means any Person (other than a Governmental Authority) other than the Investor, the Company or any Affiliate of the Investor or the Company.

“**Trading Day**” means any day on which Common Stock is traded on Nasdaq; provided that “Trading Day” shall not include any day on which Common Stock is scheduled to trade on such exchange or market for less than 4.5 hours or any day that Common Stock is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York time).

“**Transaction**” means the issuance and sale of the Shares by the Company, and the purchase of the Shares by the Investor, in accordance with the terms hereof.

1.2 Additional Defined Terms. In addition to the terms defined in Section 1.1, the following terms shall have the respective meanings assigned thereto in the sections indicated below:

<u>Defined Term</u>	<u>Section</u>
Aggregate Purchase Price	Section 2.1
Closing	Section 3.1
Closing Date	Section 3.1
Common Stock	Recitals
Company	Preamble
Contract	Section 4.5
DGCL	Section 4.17
Enforceability Exceptions	Section 4.2(b)
Financial Statements	Section 4.8(b)
GAAP	Section 4.8(b)
Investor	Preamble
Material Agreements	Section 4.8(b)
Reference Date	Section 4.5
SEC	Section 4.4
SEC Documents	Section 4.8(a)
Shares	Recitals
Termination Date	Section 9.1

## 2. Purchase and Sale of Common Stock.

2.1 Amount. Subject to the terms and conditions of this Agreement, at the Closing, the Company shall issue and sell to the Investor and the Investor shall purchase from the Company, the Shares at a cash purchase price of \$102.60 per share for an aggregate purchase price of \$849,999,960 (the "**Aggregate Purchase Price**"); provided, however, that in the event of any stock dividend, stock split, combination of shares or recapitalization with respect to Common Stock after the date of this Agreement and on or prior to the Closing, the number of Shares shall be adjusted proportionately.

2.2 Form of Payment. On the Closing Date, the Investor shall pay to the Company in cash the amount of the Aggregate Purchase Price by wire transfer of immediately available funds to a bank account designated in writing by the Company at least five (5) Business Days before the Closing Date, and the Company shall irrevocably instruct the transfer agent for Common Stock to deliver to Investor the Shares in book-entry form.

## 3. Closing Date; Deliveries.

3.1 Closing Date. The closing of the purchase and sale of the Shares hereunder (the "**Closing**") shall be held on the second (2<sup>nd</sup>) Business Day after the conditions to the Closing set forth in Section 7 and Section 8 have been satisfied or waived (other than (a) delivery of items to be delivered at the Closing and (b) satisfaction or, to the extent permitted by Law, waiver of conditions that by their nature are to be satisfied at the Closing, it being

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understood that the occurrence of the Closing shall remain subject to the delivery of such items and the satisfaction or, to the extent permitted by Law, waiver of such conditions at the Closing), at 10:00 a.m. California time at the offices of Sidley Austin LLP, Building One, 1001 Page Mill Road, Palo Alto, California 94304 or at such other time, date and location as the parties may mutually agree in writing. The date the Closing occurs is hereinafter referred to as the "**Closing Date**".

3.2 **Deliveries**. At the Closing, the Company shall deliver or cause to be delivered to the Investor (or a wholly owned subsidiary of the Investor identified to the Company in writing not less than five (5) business days prior to the Closing) the Shares in book-entry form, and the Investor shall deliver, or cause to be delivered, to the Company an amount in cash equal to the Aggregate Purchase Price in accordance with **Section 2.2**; **provided**, however, that if the Company is requested by the Investor in writing to issue the Shares to a wholly owned subsidiary of the Investor, such subsidiary shall concurrently deliver to the Company a joinder agreement to the Investor Agreement in form and substance reasonably satisfactory to the Company and the Investor shall not be released from any of its obligations or liabilities under the Equity Agreements. At or prior to the Closing, the Company shall have delivered to its transfer agent irrevocable instructions to issue the Shares to the Investor or such subsidiary, as applicable.

4. **Representations and Warranties of the Company**. Except as disclosed in the reports, schedules, forms, statements and other documents (including the exhibits, schedules and other information incorporated by reference therein) filed with or furnished to the SEC by the Company and publicly available after January 1, 2017 (excluding any risk factor disclosures contained under the heading "Risk Factors", any disclosure of risks included in any "forward looking statements" disclosure disclaimer or any other statements that are similarly predictive, cautionary or forward looking in nature that are contained or referenced therein but, in each case, including and giving effect to any specific historical factual information contained therein) (the "**Company SEC Reports**") (it being understood that any information disclosed by the Company in the Company SEC Reports shall qualify a specific representation and warranty contained in this Section 4 only to the extent it is reasonably apparent that such information would be a relevant exception to, or disclosure called for by such representation or warranty), hereby represents and warrants to the Investor as of the date of this Agreement and as of the Closing Date, except to the extent such representations and warranties expressly relate to another date (in which case as of such other date), as follows:

4.1 **Organization**. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company is in good standing in each jurisdiction in which failure to be qualified to do business would have a Material Adverse Effect. The Company has all requisite corporate power and authority necessary to carry on the business in which it is currently engaged and to own the properties currently owned by it. The Company is not in violation of, in conflict with, or in default under, its Organizational Documents in any material respect. True and correct copies of the Company's Organizational Documents, as in effect on the date of this Agreement, are each filed or incorporated by reference as exhibits to the SEC Documents.

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#### 4.2 Authorization.

(a) The Company has full requisite corporate power and authority to execute and deliver each of the Equity Agreements to which it is a party and to consummate the transactions contemplated thereby, in each case when required as set forth therein. All requisite corporate action on the part of the Company required by Law for the authorization, execution and delivery by the Company of the Equity Agreements and the performance of all obligations of the Company hereunder and thereunder, including the authorization, issuance and delivery of the Shares, has been taken.

(b) Each of the Equity Agreements has been duly executed and delivered by the Company, and upon the due execution and delivery of each of the Equity Agreements by the Investor, it will constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their respective terms except as limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other laws of general application relating to or affecting enforcement of creditors' rights generally; (ii) laws relating to the availability of specific performance, injunctive relief or other equitable remedies; and (iii) to the extent the indemnification provisions contained in the Investor Agreement may be limited by applicable federal or state securities laws or other applicable law or principle of public policy (the exceptions set forth in the preceding clauses (i), (ii) and (iii), collectively, the "**Enforceability Exceptions**").

4.3 No Conflicts. The execution, delivery and performance of the Equity Agreements, and compliance with the provisions hereof and thereof, by the Company do not and shall not: (a) subject to the Required Approvals, violate any provision of Law to which the Company is subject, (b) result in any encumbrance upon any of the Shares, other than restrictions pursuant to securities laws or as set forth in the Organizational Documents or the Equity Agreements, (c) result in a default, modification, acceleration of payment or termination under, give any Person a right of termination or cancellation under, result in the loss of a benefit or imposition of any obligation under, any Material Agreement, or (d) violate or conflict with any of the provisions of the Company's Organizational Documents, except in each case of clauses (a) and (c) as would not impair or adversely affect in any material respect the ability of the Company to consummate the transactions contemplated by, and perform its obligations under, the Equity Agreements.

4.4 No Approval. No material consent, approval, authorization or other order of, or filing with, or notice to, any Governmental Authority is required to be obtained or made by the Company in connection with the authorization, execution and delivery by the Company of any of the Equity Agreements or with the authorization, issue and sale by the Company of the Shares, except (a) such filings as may be required to be made with the Securities and Exchange Commission (the "**SEC**") and with any state blue sky or securities regulatory authority, which filings shall be made in a timely manner in accordance with all applicable Laws, (b) as required pursuant to the HSR Act, (c) with respect to the Shares, if applicable, the filing with The Nasdaq Stock Market LLC of, and the absence of unresolved issues with respect to, a Notification Form: Listing of Additional Shares and a Notification Form: Number of Shares Outstanding, and (d) those that have been made or obtained prior to the date of this Agreement (the items referred to in clauses (a) through (d), the "**Required Approvals**").

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4.5 Capitalization. The authorized capital stock of the Company, as of the close of business on January 31, 2018 (the "**Reference Date**"), consisted of 300,000,000 shares of Common Stock, of which 160,386,221 shares were issued and outstanding, and 10,000,000 shares of preferred stock, par value \$0.0001 per share, of which no shares were issued and outstanding. No other class of capital stock or series of any class of capital stock or securities convertible into capital stock of the Company is authorized or outstanding. All of the issued and outstanding shares of Common Stock have been duly authorized and validly issued, fully paid, and nonassessable. As of the close of business on the Reference Date, (a) 18,106,854 shares of Common Stock were subject to the outstanding stock options under the Equity Incentive Plans, with any outstanding awards subject to performance-based vesting conditions included based on maximum vesting levels, (b) 2,576,047 shares of Common Stock were subject to the outstanding awards of restricted stock units under the Equity Incentive Plans, with any outstanding awards subject to performance-based vesting conditions included based on maximum vesting levels, (c) 4,367,585 shares of Common Stock were reserved for future issuance under the Equity Incentive Plans and (d) 856,205 shares of Common Stock were reserved for future issuance under the Employee Stock Purchase Plan. Except as set forth in this Section 4.5, as of the close of business on the Reference Date, no other shares of Common Stock, or any securities convertible into any capital stock of the Company, were issued, reserved for issuance or outstanding, and the Company does not have outstanding any options to purchase, any preemptive rights or other rights to subscribe for or to purchase, or any written contracts, leases, licenses, indentures, agreements, commitments or other legally binding arrangements (the "**Contracts**") to issue or sell, shares of its capital stock or any such options, rights, convertible securities or warrants other than granted under the Equity Incentive Plans and the Employee Stock Purchase Plan. The issuance and sale of the Shares will not obligate the Company to issue shares of Common Stock or other securities to any Person (other than the Investor) and will not result in a right of any holder of the Company's securities to adjust the exercise, conversion, exchange or reset price under any of such securities. Except as disclosed in the SEC Documents and as otherwise contemplated by this Agreement, no Person has the right to (i) prohibit the Company from filing a Registration Statement (as such term is defined in the Investor Agreement) or (ii) require the Company to register any securities for sale under the Securities Act by reason of the filing of a Registration Statement. The granting and performance of the registration rights under the Investor Agreement will not violate or conflict with, or result in a breach of any provision of, or constitute a default under, any Contract to which the Company is a party.

4.6 Valid Issuance of Shares. When issued, sold and delivered at the Closing in accordance with the terms hereof, the Shares will be duly authorized, validly issued, fully paid and nonassessable, free from any liens, encumbrances or restrictions on transfer, including preemptive rights, rights of first refusal, purchase option, call option, subscription right or other similar rights, other than as arising pursuant to the Equity Agreements, as a result of any action by the Investor or under federal or state securities Laws. Assuming the accuracy of the representations and warranties of the Investor in this Agreement and subject to the Required Approvals, the Shares will be issued in compliance with all applicable federal and state securities laws. No stop order or suspension of trading of Common Stock has been imposed by NASDAQ or the SEC and remains in effect.

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4.7 NASDAQ Listing. Common Stock is registered pursuant to Section 12(b) of the Exchange Act. The Company has taken no action designed to terminate registration of Common Stock under the Exchange Act and the Company has not received any written notification that the SEC is contemplating terminating such registration. Common Stock is listed on The Nasdaq Global Select Market, and there are no proceedings pending or, to the knowledge of the Company, threatened to revoke or suspend such listing or the listing of the Shares. The Company is in compliance in all material respects with the requirements of The Nasdaq Global Select Market for continued listing of Common Stock thereon.

4.8 SEC Documents: Financial Statements.

(a) The Company has timely filed or furnished all reports, schedules, forms, statements and other documents required to be filed or furnished by it with the SEC since January 1, 2017 through the date of this Agreement, pursuant to the reporting requirements of the Exchange Act (all of the foregoing filed prior to the date of this Agreement and all exhibits included therein and financial statements and schedules thereto and documents (other than exhibits) incorporated by reference therein, collectively, the “**SEC Documents**”). As of their respective SEC filing dates, and only with respect to the SEC Documents filed by the Company pursuant to the Exchange Act, the SEC Documents complied in all material respects with the requirements of the Exchange Act and the applicable portions of the Sarbanes-Oxley Act of 2002, as the case may be, and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, including those filed pursuant to the Exchange Act and Securities Act, as of such respective dates (or, if amended prior to the date of this Agreement, the date of the filing of such amendment, with respect to the disclosures that are amended), contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. True and complete copies of the SEC Documents are available for public access via the SEC’s EDGAR system.

(b) As of their respective dates, the financial statements included or incorporated in the SEC Documents (the “**Financial Statements**”) and the related notes complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. The Financial Statements and the related notes have been prepared in accordance with accounting principles generally accepted in the United States (“**GAAP**”), consistently applied, during the periods involved (except (i) as may be otherwise indicated in the Financial Statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may not include footnotes, may be condensed or summary statements or may conform to the SEC’s rules and instructions for Quarterly Reports on Form 10-Q) and fairly present in all material respects the financial position and the results of the operations of the Company and its subsidiaries, retained earnings (loss), and cash flows, as the case may be, for the periods then ended (subject, in the case of unaudited statements, to normal and recurring year-end audit adjustments). All material Contracts that were required to be filed as exhibits to the SEC Documents under Item 601 of Regulation S-K to which the Company is a party or the property or assets of the Company is subject (collectively, the “**Material Agreements**”), have been filed as exhibits to the SEC Documents. All Material Agreements are valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, and, to the knowledge of the Company, are valid and binding obligations of the other party thereto, enforceable against each other party thereto in accordance with its terms, except as limited by the Enforceability Exceptions.

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(c) The Company does not have any liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) required to be reflected or reserved against on a consolidated balance sheet of the Company prepared in accordance with GAAP or the notes thereto, except for liabilities or obligations (i) reflected or reserved against on the most recent consolidated balance sheet of the Company included in the Financial Statements or the notes thereto, (ii) incurred since the date of such balance sheet in the ordinary course of business or (iii) that were not material to the Company.

4.9 No Material Adverse Change. Since September 30, 2017 to the date of this Agreement, there has not been any change or other event or occurrence that would reasonably be expected to have a Material Adverse Effect. Since September 30, 2017, (i) there has not been any dividend or distribution of any kind declared, set aside for payment, paid or made by the Company on any class of capital stock, or (ii) the Company has not purchased or redeemed any shares of its capital stock.

4.10 Absence of Litigation. As of the date of this Agreement, there is no action, suit, claim, audit, proceeding or investigation against the Company pending before any Governmental Authority or, to the Company's knowledge, threatened against the Company, which, if determined adversely to the Company, would reasonably be expected to have a Material Adverse Effect or would reasonably be expected to materially impair the ability of the Company to perform its obligations under this Agreement.

4.11 Compliance. The Company (a) is in compliance in all respects with all Laws applicable to its business or operations and (b) is not in violation of any judgment, decree, or order of any court, arbitrator or other Governmental Authority, except, in each case as would not reasonably be expected to result in a Material Adverse Effect.

4.12 Offering. Subject to the accuracy of the Investor's representations and warranties set forth in Section 5 hereof, the offer, sale and issuance of the Shares to be issued in conformity with the terms of this Agreement constitute transactions which are exempt from the registration requirements of the Securities Act and from all applicable state registration or qualification requirements.

4.13 No Integration. Neither the Company nor, to the Company's knowledge, any Person acting on its behalf has, directly or indirectly, at any time within the past six (6) months, made any offers or sales of any Company security or solicited any offers to buy any security under circumstances that would cause the offering of the Shares pursuant to the Equity Agreements to be integrated with prior offerings by the Company in a manner that would require the registration of the Shares under the Securities Act.

4.14 Brokers' or Finders' Fees. No broker, finder, investment banker or other Person is entitled to any brokerage, finder's fee or commission from the Company in connection with the transactions contemplated by the Equity Agreements.

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4.15 Not Investment Company. The Company is not, and solely after receipt of the Aggregate Purchase Price, will not be, an “investment company” as defined in the Investment Company Act of 1940, as amended.

4.16 No General Solicitation. Neither the Company nor, to the Company’s knowledge, any Person acting on behalf of the Company has either directly or indirectly, including through a broker or finder, engaged in any general solicitation or published any advertisement in connection with the offer and sale of Shares.

4.17 Takeover Statutes. Assuming the accuracy of the representation contained in Section 5.13, no restrictions on business combinations contained in Section 203 of the General Corporation Law of the State of Delaware (the “DGCL”) is applicable to this Agreement or the transactions contemplated hereby.

5. Representations and Warranties of the Investor. The Investor hereby represents and warrants to the Company as of the date of this Agreement and as of the Closing Date as follows:

5.1 Organization. The Investor is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Investor has all requisite power and authority to enter into the Equity Agreements, to purchase the Shares and to perform its obligations under and to carry out the other transactions contemplated by the Equity Agreements.

5.2 Authorization. All requisite action on the part of the Investor and its directors and stockholders, required by Law for the authorization, execution and delivery by the Investor of the Equity Agreements and the performance of all of its obligations hereunder and thereunder, including the subscription for and purchase of the Shares, has been taken. Each of the Equity Agreements has been duly executed and delivered by the Investor, and upon the due execution and delivery of each of the Equity Agreements by the Company, it will constitute valid and legally binding obligations of the Investor, enforceable against the Investor in accordance with their respective terms except as limited by the Enforceability Exceptions.

5.3 No Conflicts. The execution, delivery and performance of the Equity Agreements, and compliance with the provisions hereof and thereof, by the Investor do not and shall not: (a) violate any provision of Law or any ruling, writ, injunction, order, permit, judgment or decree of any Governmental Authority, or (b) violate or conflict with any of the provisions of the Investor’s organizational documents (including any articles or memoranda of organization or association, charter, by-laws or similar documents), except as would not impair or adversely affect in any material respect the ability of the Investor to consummate the transactions contemplated by, and perform its obligations under, the Equity Agreements.

5.4 No Approval. No consent, approval, authorization or other order of, or filing with, or notice to, any Governmental Authority is required to be obtained or made by the Investor in connection with the authorization, execution and delivery of any of the Equity Agreements or with the subscription for and purchase of the Shares, except as required pursuant to the HSR Act.



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5.5 Purchase Entirely for Own Account. The Shares shall be acquired for investment for the Investor's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and the Investor has no present intention of selling, granting any participation or otherwise distributing the Shares. The Investor does not have and will not have as of the Closing any contract, undertaking, agreement or arrangement with any Person to sell, transfer or grant participation to a Person any of the Shares.

5.6 Disclosure of Information. The Investor has received all the information from the Company and its management that the Investor considers necessary or appropriate for deciding whether to purchase the Shares hereunder. The Investor further represents that it has had an opportunity to ask questions and receive answers from the Company regarding the Company, its financial condition, results of operations and prospects and the terms and conditions of the offering of the Shares sufficient to enable it to evaluate its investment. The Investor has sought such accounting, legal and tax advice as it has considered necessary to make an informed decision with respect to its acquisition of the Shares.

5.7 Investment Experience and Accredited Investor Status. The Investor is an "accredited investor" (as defined in Regulation D under the Securities Act). The Investor has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Shares to be purchased hereunder.

5.8 Acquiring Person. As of the date of this Agreement and immediately prior to the Closing, neither the Investor nor any of its controlled Affiliates (excluding directors and officers of the Investor or its Affiliates who hold securities of the Company for their personal account) beneficially owns, or will beneficially own (as determined pursuant to Rule 13d-3 under the Exchange Act without regard for the number of days in which a Person has the right to acquire such beneficial ownership, and without regard to Investor's rights under this Agreement), any securities of the Company.

5.9 Restricted Securities. The Investor understands that the Shares, when issued, will be "restricted securities" under the federal securities Laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such Laws the Shares may be resold without registration under the Securities Act only in certain limited circumstances. The Investor represents that it is familiar with Rule 144 of the Securities Act, as presently in effect.

5.10 Legends. In addition to any legend required under the Investor Agreement, the book-entry or certificated form of the Shares shall bear any legend required by the "blue sky" laws of any state and a restrictive legend in substantially the following form:

**THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER THAT SUCH REGISTRATION IS NOT REQUIRED OR UNLESS SOLD PURSUANT TO RULE 144 OF SUCH ACT.**

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If any Shares are subject to the above legend, or any stop transfer or similar instruction or restriction, the Company shall, upon the request of the holder of such Shares, promptly cause such legends, stop transfer or similar instructions to be removed (and, if certificated, new certificates without such legends, stop transfer or similar instructions to be issued) if (a) such Shares have been, or are being substantially contemporaneously, resold pursuant to an effective Registration Statement filed pursuant to the Investor Agreement, or (b) the holder of such Shares has complied in all material respects with the transfer restrictions set forth in the Investor Agreement and provides the Company with reasonable assurance in writing that such Shares are eligible to be sold, assigned or transferred pursuant to Rule 144(b)(1)(i) of the Securities Act without registration, including in the case of clause (b), if requested by the Company, an opinion of legal counsel to such effect.

5.11 United States Investor. The Investor is a United States person (as defined by Section 7701(a)(30) of the U.S. Internal Revenue Code of 1986, as amended.

5.12 No General Solicitation. Neither the Investor nor, to the Investor's knowledge, any Person acting on behalf of the Investor has either directly or indirectly, including through a broker or finder (a) engaged in any general solicitation or (b) published any advertisement in connection with the offer and sale of Shares.

5.13 No Ownership of Company Stock. As of the date of this Agreement, none of the Investors or its controlled Affiliates beneficially owns (as defined in Rule 13d-3 promulgated under the Exchange Act) any shares of Common Stock or any securities that are convertible into or exchangeable or exercisable for shares of Common Stock, or holds any rights to acquire or vote any shares of Common Stock, other than pursuant to this Agreement. None of the Investor or its Affiliates, or the "affiliates" or "Associates" of any such entity is, and at no time during the last three years has been, an "Interested Stockholder" of the Company, in each case as defined in Section 203 of the DGCL.

## 6. Covenants.

6.1 Reasonable Best Efforts. Subject to the terms and conditions set forth in this Agreement, each party hereto shall use its reasonable best efforts to do or cause to be done all things necessary or appropriate to satisfy the conditions to the Closing and to consummate the transactions contemplated by this Agreement as promptly as practicable unless the Collaboration Agreement is terminated by the either party in accordance with its terms. Without limiting the generality of the foregoing, unless the Collaboration Agreement is earlier terminated by either party in accordance with its terms, the Company and the Investor shall use their respective reasonable best efforts to cause the Closing to occur on or prior to the Termination Date. Each of the Company and the Investor shall not, and shall not permit any of their respective Affiliates to, take any action that would, or that would reasonably be expected to, result in any of the conditions set forth in Section 7 or Section 8 not being satisfied.

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6.2 Ordinary Conduct. Except as otherwise contemplated by the Equity Agreements or the Collaboration Agreement, from the date of this Agreement until the Closing, the Company shall, and shall cause its Affiliates to use commercially reasonable efforts to (a) carry on its business relative to the Development of NKTR-214 in the ordinary course and (b) preserve its material relationships with suppliers, distributors, licensors, licensees and others with whom the Company has contractual relationships regarding NKTR-214.

6.3 Form D; Blue Sky Filings. The Company agrees to file as soon as practicable after the Closing Date a Form D with respect to the Shares as required under Regulation D of the Securities Act. The Company shall take such action as the Company shall reasonably determine is necessary in order to obtain an exemption from, or to qualify the Shares for, sale to the Investor at the Closing pursuant to this Agreement under applicable securities or “Blue Sky” laws of the states of the United States, and following the Closing shall provide evidence of such actions promptly upon the written request of the Investor.

6.4 Financial Statements. The financial statements of the Company to be included in any documents filed by the Company with the SEC between the date of this Agreement and the Closing Date will be prepared in accordance with GAAP, consistently applied, during the periods covered (except (i) as may be otherwise indicated in such financial statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may not include footnotes, may be condensed or summary statements or may conform to the SEC’s rules and instructions for the Quarterly Reports on Form 10-Q) and fairly present in all material respects the consolidated financial position of the Company as of the dates thereof and the consolidated results of its operations, retained earnings (deficit) and cash flows, as the case may be, for the periods then ended (subject, in the case of unaudited statements, to normal and recurring year end audit adjustments).

6.5 Notification under the HSR Act.

(a) As promptly as practicable, but not later than the tenth (10th) Business Day following the date of this Agreement, the Investor and the Company shall make or cause to be made the filings required of the parties or their “ultimate parent entities” under the HSR Act. Each party shall be responsible for its own costs and expenses associated with the notifications and filings under applicable Antitrust Law, and the Investor shall pay the applicable filing fee under the HSR Act. Each party shall use its commercially reasonable efforts to obtain the expiration or termination of the applicable waiting period under the HSR Act, and to obtain the termination or expiration of any other applicable waiting periods or any necessary approvals or consents under any other applicable Antitrust Law, at the earliest possible date after the date of filing.

(b) The Investor and the Company shall: (i) reasonably cooperate with each other in connection with any investigation or other inquiry relating to the transactions contemplated by the Transaction Agreements; (ii) reasonably keep the other party promptly informed of any communication received by such party from, or given by such party to, the FTC, the DOJ or any other Merger Control Authority and of any communication received or given in connection with any proceeding by a private party, in each case regarding the transactions contemplated by the Transaction Agreements; (iii) promptly respond to and certify substantial

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compliance with any inquiries or requests received from the FTC, the DOJ or any other Merger Control Authorities for additional information or documentation; (iv) reasonably consult with each other in advance of any meeting or conference with the FTC, the DOJ or any other Merger Control Authority, and to the extent permitted by the FTC, the DOJ or such other Merger Control Authority and reasonably determined by such party to be appropriate under the circumstances, give the other party or their counsel the opportunity to attend and participate in such meetings and conferences; and (v) permit the other party or their counsel to the extent reasonably practicable to review in advance, and in good faith consider the views of the other party or their counsel concerning, any submission, filing or communication (and documents submitted therewith) intended to be given by it to the FTC, the DOJ or any other Merger Control Authority; provided, however, that such party shall be under no obligation to reschedule any meetings or conferences with the FTC, the DOJ or any other Merger Control Authority to enable the other party to attend.

(c) Notwithstanding anything to the contrary in this Agreement, the terms “commercially reasonable efforts” or “reasonable efforts” do not require that either party (i) offer, negotiate, commit to or effect, by consent decree, hold separate order, trust or otherwise, the sale, divestiture, license or other disposition of any capital stock, assets, rights, products or businesses of the Investor, the Company or their respective Affiliates, (ii) agree to any restrictions on the activities of the Investor, the Company or their respective Affiliates, or (iii) pay any material amount or take any other action to prevent, effect the dissolution of, vacate, or lift any decree, order, judgment, injunction, temporary restraining order, or other order in any suit or proceeding that would otherwise have the effect of preventing or delaying any of the transactions contemplated by the Transaction Agreements.

#### 7. Conditions to Closing.

7.1 Conditions to Obligations of the Company. The Company’s obligation to complete the purchase and sale of the Shares and deliver such Shares to the Investor is subject to the waiver by the Company or fulfillment as of the Closing Date of the following conditions:

7.2 Receipt of Funds. The Company shall have received immediately available funds in the full amount of the Aggregate Purchase Price.

7.3 Representations and Warranties. The representations and warranties made by the Investor in Section 5 shall be true and correct in all material respects as of the Closing Date (except for those representations and warranties that are qualified as to materiality, in which case such representations and warranties shall be true and correct in all respects).

7.4 Covenants. All covenants and agreements contained in this Agreement to be performed or complied with by the Investor on or prior to the Closing Date shall have been performed or complied with in all material respects.

7.5 No Governmental Prohibition. The sale of the Shares by the Company to the Investor hereunder shall not be prohibited by any Law.

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7.6 HSR Act Qualification. The filings required under the HSR Act in connection with this Agreement shall have been made and the required waiting period shall have expired or been terminated as of the Closing Date.

7.7 Transaction Agreements. Each of the Company and the Investor shall have executed and delivered the Collaboration Agreement and the Investor Agreement, and each of the Collaboration Agreement and the Investor Agreement shall not have been terminated and shall be effective in accordance with their respective terms.

8. Conditions to the Investor's Obligations at the Closing. The Investor's obligation to complete the purchase and sale of the Shares is subject to the waiver by the Investor or fulfillment as of the Closing Date of the following conditions:

8.1 Representations and Warranties. The representations and warranties made by the Company (a) in Section 4 (other than the representations and warranties set forth in Sections 4.1, 4.2, 4.3, 4.4, 4.5, 4.6 and 4.7), without regard to materiality or Material Adverse Effect qualifiers contained within such representations and warranties, shall be true and correct in all respects as of the Closing Date, except for any failure of such representations and warranties to be true and correct that would not reasonably be expected to have a Material Adverse Effect, (b) in Section 4.5 shall be true and correct in all respects as of the Closing Date except for *de minimis* inaccuracies, and (c) in Sections 4.1, 4.2, 4.3, 4.4, 4.6 and 4.7 shall be true and correct in all respects as of the Closing Date.

8.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed or complied with by the Company on or prior to the Closing Date shall have been performed or complied with in all material respects as of the Closing Date.

8.3 Nasdaq Qualification. The Shares shall be eligible for listing on The Nasdaq Global Select Market.

8.4 No Governmental Prohibition. The sale of the Shares by the Company shall not be prohibited by any Law.

8.5 HSR Act Qualification. The filings required under the HSR Act in connection with this Agreement shall have been made and the required waiting period shall have expired or been terminated as of the Closing Date.

8.6 No Suspensions of Trading in Common Stock. The Common Stock shall not have been suspended, as of the Closing Date, by the SEC or The Nasdaq Global Select Market from trading on The Nasdaq Global Select Market nor shall suspension by the SEC or The Nasdaq Global Select Market have been threatened, as of the Closing Date, in writing by the SEC or The Nasdaq Global Select Market.

8.7 Absence of Litigation. No proceeding challenging this Agreement, the Investor Agreement or the Collaboration Agreement or the transactions contemplated hereby or thereby, or seeking to prohibit, alter, prevent or materially delay the Closing, shall have been instituted by any Governmental Authority.

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8.8 Transaction Agreements. Each of the Company and the Investor shall have executed and delivered the Collaboration Agreement and the Investor Agreement, and each of the Collaboration Agreement and the Investor Agreement shall not have been terminated and shall be effective in accordance with their respective terms.

9. Termination.

9.1 Termination. This Agreement may only be terminated at any time prior to the Closing by (a) mutual written consent of the Company and the Investor or (b) either the Company or the Investor, upon written notice to the other after the nine (9) month anniversary of the date of this Agreement (the "**Termination Date**"), if the Transaction shall not have been consummated by the Termination Date pursuant to Section 3; provided, however, that the right to terminate this Agreement under this Section 9.1 shall not be available to any party whose failure to fulfill any obligation under this Agreement has been the cause of, or resulted in, the failure to consummate the transactions contemplated hereby prior to the Termination Date.

9.2 Effect of Termination. In the event of the termination of this Agreement pursuant to Section 9.1 hereof, (a) each of this Agreement (except for this Section 9.2 and Section 10 hereof, and any definitions set forth in this Agreement and used in such sections), the Investor Agreement and the Collaboration Agreement shall forthwith become void and have no effect, without any liability on the part of any party hereto or its Affiliates, and (b) all filings, applications and other submissions made pursuant to this Agreement, to the extent practicable, shall be withdrawn from the agency or other Person to which they were made or appropriately amended to reflect the termination of the transactions contemplated hereby; provided, however, that nothing contained in this Section 9.2 shall relieve any party from liability for fraud or any intentional or willful breach of this Agreement.

10. Miscellaneous.

10.1 Governing Law; Submission to Jurisdiction. This Agreement shall be governed by and construed in accordance with the Laws of the State of Delaware, without regard to the conflict of laws principles thereof that would require the application of the Law of any other jurisdiction. Any action brought, arising out of, or relating to this Agreement shall be brought in the Court of Chancery of the State of Delaware. Each party hereby irrevocably submits to the exclusive jurisdiction of said Court in respect of any claim relating to the validity, interpretation and enforcement of this Agreement, and hereby waives, and agrees not to assert, as a defense in any action, suit or proceeding in which any such claim is made that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in such courts, or that the venue thereof may not be appropriate or that this agreement may not be enforced in or by such courts. The parties hereby consent to and grant the Court of Chancery of the State of Delaware jurisdiction over such parties and over the subject matter of any such claim and agree that mailing of process or other papers in connection with any such action, suit or proceeding in the manner provided in Section 10.3 or in such other manner as may be permitted by law, shall be valid and sufficient thereof.

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10.2 No Waiver, Modifications. It is agreed that no waiver by a party hereto of any breach or default of any of the covenants or agreements set forth herein shall be deemed a waiver as to any subsequent or similar breach or default. The failure of either party to insist on the performance of any obligation hereunder shall not be deemed a waiver of any such obligation. No amendment, modification, waiver, release or discharge to this Agreement shall be binding upon the parties unless in writing and duly executed by authorized representatives of both parties.

10.3 Notices. Any consent, notice, report or other communication required or permitted to be given or made under this Agreement by one of the parties to the other party will be delivered in writing by one of the following means and be effective: (a) upon receipt, if delivered personally; (b) when sent, if sent via e-mail (provided that such sent e-mail is kept on file (whether electronically or otherwise) by the sending party and the sending party does not immediately receive an automatically generated message from the recipient's e-mail server that such e-mail could not be delivered to such recipient); (c) when sent, if sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); or (d) when delivered by a reputable, commercial overnight courier; provided in all cases addressed to such other party at its address indicated below, or to such other address as the addressee will have last furnished in writing to the addressor and will be effective upon receipt by the addressee.

If to the Investor:

Bristol-Myers Squibb Company  
345 Park Avenue  
New York, New York 10154-0037  
Attention: Executive Vice President and General Counsel  
Facsimile No.: (212) 546-9562

with a copy (which shall not constitute notice) to:

Bristol-Myers Squibb Pharmaceuticals Group  
Route 206 & Province Line Road  
Princeton, New Jersey 08543  
Attention: Senior Vice President and Deputy General Counsel  
Transactional Practice Group  
Facsimile: (609) 252-7680  
e-mail: joseph.campisi@bms.com

If to the Company:

Nektar Therapeutics  
455 Mission Bay Boulevard South  
San Francisco, CA 94158  
Attention: Senior Vice President & General Counsel

with a copy (which shall not constitute notice) to:

Sidley Austin LLP  
1001 Page Mill Road, Building 1, Suite 100

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Palo Alto, California 94304  
Attention: Sam Zucker and Ruchun Ji  
Facsimile: (650) 565-7100  
e-mail: [szucker@sidley.com](mailto:szucker@sidley.com), [rji@sidley.com](mailto:rji@sidley.com)

Written confirmation of receipt (ii) given by the recipient of such notice, (iii) mechanically or electronically generated by the sender's facsimile machine containing the time, date and recipient facsimile number or (iii) provided by an overnight courier service shall be rebuttable evidence of personal service, receipt by facsimile or receipt from an overnight courier service in accordance with clause (a), (c) or (d) above, respectively. A copy of the e-mail transmission containing the time, date and recipient e-mail address shall be rebuttable evidence of receipt by e-mail in accordance with clause (b) above.

10.4 Entire Agreement. This Agreement, the Investor Agreement and the Collaboration Agreement contain the entire agreement among the parties with respect to the subject matter hereof and thereof and supersede all prior and contemporaneous arrangements or understandings, whether written or oral, with respect hereto and thereto.

10.5 Headings; Nouns and Pronouns; Section References. Headings in this Agreement are for convenience of reference only and shall not be considered in construing this Agreement. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of names and pronouns shall include the plural and vice-versa. References in this Agreement to a section or subsection shall be deemed to refer to a section or subsection of this Agreement unless otherwise expressly stated.

10.6 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, and if the rights or obligations of a party under this Agreement will not be materially and adversely affected thereby, (a) such provision shall be fully severable, (b) this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (c) the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom and (d) in lieu of such illegal, invalid or unenforceable provision, the parties shall negotiate in good faith a substitute legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as possible and as reasonably acceptable to the parties.

10.7 Assignment. Except for an assignment by the Investor of this Agreement or any rights hereunder to an Affiliate (which assignment will not relieve the Investor of any obligation hereunder), neither this Agreement nor any of the rights or obligations hereunder may be assigned by either the Investor or the Company without (a) the prior written consent of Company in the case of any assignment by the Investor or (b) the prior written consent of the Investor in the case of an assignment by the Company.

10.8 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.



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10.9 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but which together shall constitute one and the same instrument. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such executed signature page shall create a valid and binding obligation of the party executing it (or on whose behalf such signature page is executed) with the same force and effect as if such executed signature page were an original thereof.

10.10 Third Party Beneficiaries. None of the provisions of this Agreement shall be for the benefit of or enforceable by any Third Party, including any creditor of any party hereto, except that each Affiliate of the Investor is an express third party beneficiary entitled to enforce this agreement directly against the Company. No Third Party shall obtain any right under any provision of this Agreement or shall by reason of any such provision make any claim in respect of any debt, liability or obligation (or otherwise) against any party hereto.

10.11 No Strict Construction. This Agreement has been prepared jointly and will not be construed against either party. No presumption as to construction of this Agreement shall apply against either party with respect to any ambiguity in the wording of any provision(s) of this Agreement irrespective of which party may be deemed to have authored the ambiguous provision(s).

10.12 Survival of Warranties. The representations and warranties of the Company and the Investor contained in this Agreement shall survive the Closing for twelve (12) months.

10.13 Specific Performance. The rights, powers and remedies of the parties under this Agreement are cumulative and not exclusive of any other right, power or remedy which such parties may have under any other agreement or Law. No single or partial assertion or exercise of any right, power or remedy of a party hereunder shall preclude any other or further assertion or exercise thereof. The parties hereby acknowledge and agree that the rights of the parties hereunder are special, unique and of extraordinary character, and that if any party refuses or otherwise fails to act, or to cause its Affiliates to act, in accordance with the provisions of this Agreement, such refusal or failure would result in irreparable injury to the Company or the Investor as the case may be, the exact amount of which would be difficult to ascertain or estimate and the remedies at law for which would not be reasonable or adequate compensation. Accordingly, if any party refuses or otherwise fails to act, or to cause its Affiliates to act, in accordance with the provisions of this Agreement, then, in addition to any other remedy which may be available to any damaged party at law or in equity, such damaged party will be entitled to specific performance and injunctive relief, without posting bond or other security, and without the necessity of proving actual or threatened damages, which remedy such damaged party will be entitled to seek in any court of competent jurisdiction.

10.14 Expenses. Each party shall pay its own fees and expenses in connection with the preparation, negotiation, execution, delivery and performance of the Equity Agreements.

*[Remainder of page intentionally left blank; signature page follows.]*

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IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first above written.

**Nektar Therapeutics**

By: /s/ Gil M. Labrucherie  
Name: Gil M. Labrucherie  
Title: Senior Vice President and Chief Financial Officer

**Bristol-Myers Squibb Company**

By: /s/ Giovanni Caforio  
Name: Giovanni Caforio  
Title: Chairman and Chief Executive Officer

[Signature Page to Share Purchase Agreement]



**Bristol-Myers Squibb and Nektar Therapeutics Announce Global  
Development & Commercialization Collaboration for Nektar's CD122-biased  
Agonist, NKTR-214**

- *Collaboration to evaluate the full-potential of NKTR-214 plus Opdivo (nivolumab) across numerous tumors, based on promising early data from ongoing Phase 1/2 PIVOT clinical study*
- *Establishes a broad joint clinical development plan combining NKTR-214 with Opdivo and Opdivo plus Yervoy (ipilimumab) in registration-enabling trials in more than 20 indications across 9 tumors*
- *Bristol-Myers Squibb to pay Nektar \$1.85 billion upfront, comprised of \$1.0 billion in cash and the purchase of ~8.28 million shares of Nektar stock at \$102.60 per share*
- *Companies to share global profits on NKTR-214, with Nektar receiving 65% and Bristol-Myers Squibb 35%*
- *Nektar to book revenue for worldwide sales of NKTR-214 and retains ability to develop NKTR-214 with other anti-cancer agents*
- *Bristol-Myers Squibb obtains exclusive rights in 20 indications across 9 tumors included in the joint clinical development plan for a specified time period*

**(NEW YORK and SAN FRANCISCO, February 14, 2018)** - Bristol-Myers Squibb Company (NYSE:BMJ) and Nektar Therapeutics (Nasdaq: NKTR) announced today the companies have executed a global strategic development and commercialization collaboration for Nektar's lead immuno-oncology program, NKTR-214. Under the collaboration, the companies will jointly develop and commercialize NKTR-214 in combination with Bristol-Myers Squibb's *Opdivo* (nivolumab) and *Opdivo plus Yervoy* (ipilimumab) in more than 20 indications across 9 tumor types, as well as potential combinations with other anti-cancer agents from either of the respective companies and/or third parties.

NKTR-214, a CD122-biased agonist, is an investigational immuno-stimulatory therapy designed to selectively expand cancer-fighting T cells and natural killer (NK) cells directly in the tumor micro-environment and increase PD-1 expression on those immune cells.

"We are excited to bring our leading capabilities and expertise in developing cancer therapies together with Nektar's innovative science to jointly develop and commercialize NKTR-214 in combination with *Opdivo* and *Opdivo plus Yervoy*," said Giovanni Caforio, M.D., Chairman and CEO, Bristol-Myers Squibb. "Bristol-Myers Squibb has established *Opdivo plus Yervoy* as the only approved immunotherapy combination for cancer patients and built a robust oncology pipeline. With this commitment to development of NKTR-214, an investigational therapy designed with a unique approach to harnessing the full potential of the interleukin-2 pathway, we now have a third validated I-O mechanism that has demonstrated a clinical benefit in patients, and holds significant potential to expand the benefits that these immuno-oncology agents can bring to patients with cancer."

Bristol-Myers Squibb and Nektar have agreed to a joint clinical development plan to evaluate NKTR-214 with *Opdivo* and *Opdivo* plus *Yervoy* in registration-enabling clinical trials in more than 20 indications in 9 tumor types including melanoma, renal cell carcinoma, non-small cell lung cancer, bladder and triple negative breast cancer. Pivotal studies in renal cell carcinoma and melanoma are expected to be initiated in mid-2018.

“Bristol-Myers Squibb, the global leader in immuno-oncology, is the ideal collaborator to enable us to establish NKTR-214 as a backbone immunotherapy in the treatment of cancer,” said Howard Robin, President & CEO of Nektar. “NKTR-214’s ability to grow tumor infiltrating lymphocytes (TILs) *in vivo* and replenish the immune system is critically important as many patients battling cancer lack sufficient TIL populations to benefit from approved checkpoint inhibitor therapies. This strategic collaboration allows us to very quickly develop NKTR-214 with the leading approved PD-1 immune checkpoint inhibitor in numerous registrational trials. We look forward to our continued relationship with Bristol-Myers Squibb as we work together to advance cancer treatment for patients around the world.”

#### **Transaction Terms**

Under the terms of the agreement, Bristol-Myers Squibb will make an upfront cash payment of \$1.0 billion and an equity investment of \$850 million (8,284,600 shares of Nektar’s common stock at \$102.60 per share). Bristol-Myers Squibb has agreed to certain lock-up, standstill and voting provisions on its share ownership for a period of five years subject to certain specified exceptions.

Nektar is also eligible to receive an additional \$1.78 billion in milestones, of which \$1.43 billion are development and regulatory milestones and the remainder are sales milestones. Nektar will book revenue for worldwide sales of NKTR-214 and the companies will split global profits for NKTR-214 with Nektar receiving 65% and Bristol-Myers Squibb 35%. Bristol-Myers Squibb will retain 100% of product revenues for its own medicines. The parties also will share development costs relative to their ownership interest of medicines included in the trials. For trials in the joint clinical development plan that include NKTR-214 with *Opdivo* only, the parties will share development costs with 67.5% allocated to Bristol-Myers Squibb and 32.5% allocated to Nektar. For trials in the joint clinical development plan that include NKTR-214 with *Opdivo* and *Yervoy*, the parties will share development costs with 78% allocated to Bristol-Myers Squibb and 22% allocated to Nektar.

Both Bristol-Myers Squibb and Nektar have agreed for a specified period of time to not commence development with overlapping mechanisms of action in the same indications as those included in the joint clinical development plan. The parties are otherwise free to develop NKTR-214 with their own pipeline assets and/or any other third party compounds. Both parties have agreed to initiate registration-enabling studies in the joint clinical development plan within 14 months of the effective date of the agreement, subject to allowable delays.

Both parties will jointly commercialize NKTR-214 on a global basis. Bristol-Myers Squibb will lead global commercialization activities for NKTR-214 combinations with Bristol-Myers Squibb medicines and Nektar will co-commercialize such combinations in the US, major EU markets and Japan. Nektar will lead global commercialization activities for NKTR-214 combinations with either Nektar medicines and/or other third-party medicines.

For Bristol-Myers Squibb, the transactions are expected to be dilutive in 2018 and 2019 to the company's non-GAAP EPS by \$0.05 and \$0.20, respectively. Nektar and Bristol-Myers Squibb currently expect to complete the transaction during the second quarter of 2018, subject to the expiration or termination of applicable waiting periods under all applicable US antitrust laws and the satisfaction of other usual and customary closing conditions. Further details of the agreement can be found in Nektar's Form 8-K filed today with the Securities and Exchange Commission. Sidley Austin LLP is acting as legal counsel to Nektar for the strategic collaboration agreement and equity investment.

Nektar and Bristol-Myers Squibb entered into a clinical collaboration in September of 2016 to evaluate the potential for the combination of *Opdivo* and NKTR-214 to show improved and sustained efficacy and tolerability above the current standard of care. The Phase 1/2 PIVOT clinical study is ongoing in over 350 patients with melanoma, kidney, non-small cell lung cancer, bladder, and triple-negative breast cancers.

#### **Nektar Conference Call with Analysts & Investors**

Nektar will host a conference call and webcast presentation today, February 14, 2018 at 8:00 a.m. Eastern Time to discuss the transaction. The call can be accessed by dialing (877) 881-2183 (U.S.) or (970) 315-0453 (international), and entering passcode 2289559. To access the live webcast, or the subsequent archived recording, visit the Investor Events section of the Nektar website at <http://ir.nektar.com/events-and-presentations/events>. The webcast will be available for replay on Nektar's website for two weeks following the call.

#### **About NKTR-214**

NKTR-214 is an experimental therapy designed to stimulate cancer-killing immune cells in the body by targeting CD122 specific receptors found on the surface of these immune cells, known as CD8+ effector T cells and Natural Killer (NK) cells. Growing these tumor-infiltrating lymphocytes (TILs) *in vivo* and replenishing the immune system is critically important as many patients battling cancer lack sufficient TIL populations to benefit from approved checkpoint inhibitor therapies. In preclinical studies, treatment with NKTR-214 resulted in a rapid expansion of these cells and mobilization into the tumor micro-environment.<sup>1,2</sup> NKTR-214 has an antibody-like dosing regimen similar to the existing checkpoint inhibitor class of approved medicines.

#### **Bristol-Myers Squibb & Immuno-Oncology: Advancing Oncology Research**

At Bristol-Myers Squibb, patients are at the center of everything we do. Our vision for the future of cancer care is focused on researching and developing transformational Immuno-Oncology (I-O) medicines for hard-to-treat cancers that could potentially improve outcomes for these patients.

We are leading the scientific understanding of I-O through our extensive portfolio of investigational compounds and approved agents. Our differentiated clinical development program is studying broad patient populations across more than 50 types of cancers with 14 clinical-stage molecules designed to target different immune system pathways. Our deep expertise and innovative clinical trial designs position us to advance I-O/I-O, I-O/chemotherapy, I-O/targeted therapies and I-O radiation therapies across multiple tumors and potentially deliver the next wave of therapies with a sense of urgency. We also continue to pioneer research that will help facilitate a deeper understanding of the role of immune biomarkers and how patients' tumor biology can be used as a guide for treatment decisions throughout their journey.

We understand making the promise of I-O a reality for the many patients who may benefit from these therapies requires not only innovation on our part but also close collaboration with leading experts in the field. Our partnerships with academia, government, advocacy and biotech companies support our collective goal of providing new treatment options to advance the standards of clinical practice.

#### **About Opdivo**

*Opdivo* is a programmed death-1 (PD-1) immune checkpoint inhibitor that is designed to uniquely harness the body's own immune system to help restore anti-tumor immune response. By harnessing the body's own immune system to fight cancer, *Opdivo* has become an important treatment option across multiple cancers.

*Opdivo*'s leading global development program is based on Bristol-Myers Squibb's scientific expertise in the field of Immuno-Oncology and includes a broad range of clinical trials across all phases, including Phase 3, in a variety of tumor types. To date, the *Opdivo* clinical development program has enrolled more than 25,000 patients. The *Opdivo* trials have contributed to gaining a deeper understanding of the potential role of biomarkers in patient care, particularly regarding how patients may benefit from *Opdivo* across the continuum of PD-L1 expression.

In July 2014, *Opdivo* was the first PD-1 immune checkpoint inhibitor to receive regulatory approval anywhere in the world. *Opdivo* is currently approved in more than 60 countries, including the United States, the European Union and Japan. In October 2015, the company's *Opdivo* and *Yervoy* combination regimen was the first Immuno-Oncology combination to receive regulatory approval for the treatment of metastatic melanoma and is currently approved in more than 50 countries, including the United States and the European Union.

#### **About Yervoy**

*Yervoy* is a recombinant, human monoclonal antibody that binds to the cytotoxic T-lymphocyte-associated antigen-4 (CTLA-4). CTLA-4 is a negative regulator of T-cell activity. *Yervoy* binds to CTLA-4 and blocks the interaction of CTLA-4 with its ligands, CD80/CD86. Blockade of CTLA-4 has been shown to augment T-cell activation and proliferation, including the activation and proliferation of tumor infiltrating T-effector cells. Inhibition of CTLA-4 signaling can also reduce T-regulatory cell function, which may

contribute to a general increase in T-cell responsiveness, including the anti-tumor immune response. On March 25, 2011, the U.S. Food and Drug Administration (FDA) approved *Yervoy* 3 mg/kg monotherapy for patients with unresectable or metastatic melanoma. *Yervoy* is approved for unresectable or metastatic melanoma in more than 50 countries. There is a broad, ongoing development program in place for *Yervoy* spanning multiple tumor types.

#### **U.S. FDA-APPROVED INDICATIONS FOR OPDIVO®**

OPDIVO® (nivolumab) as a single agent is indicated for the treatment of patients with BRAF V600 mutation-positive unresectable or metastatic melanoma. This indication is approved under accelerated approval based on progression-free survival. Continued approval for this indication may be contingent upon verification and description of clinical benefit in the confirmatory trials.

OPDIVO® (nivolumab) as a single agent is indicated for the treatment of patients with BRAF V600 wild-type unresectable or metastatic melanoma.

OPDIVO® (nivolumab), in combination with YERVOY® (ipilimumab), is indicated for the treatment of patients with unresectable or metastatic melanoma. This indication is approved under accelerated approval based on progression-free survival. Continued approval for this indication may be contingent upon verification and description of clinical benefit in the confirmatory trials.

OPDIVO® (nivolumab) is indicated for the treatment of patients with metastatic non-small cell lung cancer (NSCLC) with progression on or after platinum-based chemotherapy. Patients with EGFR or ALK genomic tumor aberrations should have disease progression on FDA-approved therapy for these aberrations prior to receiving OPDIVO.

OPDIVO® (nivolumab) is indicated for the treatment of patients with advanced renal cell carcinoma (RCC) who have received prior anti-angiogenic therapy.

OPDIVO® (nivolumab) is indicated for the treatment of adult patients with classical Hodgkin lymphoma (cHL) that has relapsed or progressed after autologous hematopoietic stem cell transplantation (HSCT) and brentuximab vedotin or after 3 or more lines of systemic therapy that includes autologous HSCT. This indication is approved under accelerated approval based on overall response rate. Continued approval for this indication may be contingent upon verification and description of clinical benefit in confirmatory trials.

OPDIVO® (nivolumab) is indicated for the treatment of patients with recurrent or metastatic squamous cell carcinoma of the head and neck (SCCHN) with disease progression on or after platinum-based therapy.

OPDIVO® (nivolumab) is indicated for the treatment of patients with locally advanced or metastatic urothelial carcinoma who have disease progression during or following platinum-containing chemotherapy or have disease progression within 12 months of neoadjuvant or adjuvant treatment with platinum-containing chemotherapy. This indication is approved under accelerated approval based on tumor response rate and duration of response. Continued approval for this indication may be contingent upon verification and description of clinical benefit in confirmatory trials.

OPDIVO® (nivolumab) is indicated for the treatment of adult and pediatric (12 years and older) patients with microsatellite instability high (MSI-H) or mismatch repair deficient (dMMR) metastatic colorectal cancer (CRC) that has progressed following treatment with a fluoropyrimidine, oxaliplatin, and irinotecan. This indication is approved under accelerated approval based on overall response rate and duration of response. Continued approval for this indication may be contingent upon verification and description of clinical benefit in confirmatory trials.

OPDIVO® (nivolumab) is indicated for the treatment of patients with hepatocellular carcinoma (HCC) who have been previously treated with sorafenib. This indication is approved under accelerated approval based on tumor response rate and durability of response. Continued approval for this indication may be contingent upon verification and description of clinical benefit in the confirmatory trials.

OPDIVO® (nivolumab) is indicated for the adjuvant treatment of patients with melanoma with involvement of lymph nodes or metastatic disease who have undergone complete resection.

### **IMPORTANT SAFETY INFORMATION**

#### **WARNING: IMMUNE-MEDIATED ADVERSE REACTIONS**

**YERVOY can result in severe and fatal immune-mediated adverse reactions. These immune-mediated reactions may involve any organ system; however, the most common severe immune-mediated adverse reactions are enterocolitis, hepatitis, dermatitis (including toxic epidermal necrolysis), neuropathy, and endocrinopathy. The majority of these immune-mediated reactions initially manifested during treatment; however, a minority occurred weeks to months after discontinuation of YERVOY.**

**Assess patients for signs and symptoms of enterocolitis, dermatitis, neuropathy, and endocrinopathy and evaluate clinical chemistries including liver function tests (LFTs), adrenocorticotrophic hormone (ACTH) level, and thyroid function tests at baseline and before each dose.**

**Permanently discontinue YERVOY and initiate systemic high-dose corticosteroid therapy for severe immune-mediated reactions.**

#### **Immune-Mediated Pneumonitis**

OPDIVO can cause immune-mediated pneumonitis. Fatal cases have been reported. Monitor patients for signs with radiographic imaging and for symptoms of pneumonitis. Administer corticosteroids for Grade 2 or more severe pneumonitis. Permanently discontinue for Grade 3 or 4 and withhold until resolution for Grade 2. In patients



receiving OPDIVO monotherapy, fatal cases of immune-mediated pneumonitis have occurred. Immune-mediated pneumonitis occurred in 3.1% (61/1994) of patients. In patients receiving OPDIVO with YERVOY, immune-mediated pneumonitis occurred in 6% (25/407) of patients.

In Checkmate 205 and 039, pneumonitis, including interstitial lung disease, occurred in 6.0% (16/266) of patients receiving OPDIVO. Immune-mediated pneumonitis occurred in 4.9% (13/266) of patients receiving OPDIVO: Grade 3 (n=1) and Grade 2 (n=12).

#### **Immune-Mediated Colitis**

OPDIVO can cause immune-mediated colitis. Monitor patients for signs and symptoms of colitis. Administer corticosteroids for Grade 2 (of more than 5 days duration), 3, or 4 colitis. Withhold OPDIVO monotherapy for Grade 2 or 3 and permanently discontinue for Grade 4 or recurrent colitis upon re-initiation of OPDIVO. When administered with YERVOY, withhold OPDIVO and YERVOY for Grade 2 and permanently discontinue for Grade 3 or 4 or recurrent colitis. In patients receiving OPDIVO monotherapy, immune-mediated colitis occurred in 2.9% (58/1994) of patients. In patients receiving OPDIVO with YERVOY, immune-mediated colitis occurred in 26% (107/407) of patients including three fatal cases.

In a separate Phase 3 study of YERVOY 3 mg/kg, severe, life-threatening, or fatal (diarrhea of  $\geq 7$  stools above baseline, fever, ileus, peritoneal signs; Grade 3-5) immune-mediated enterocolitis occurred in 34 (7%) patients. Across all YERVOY-treated patients in that study (n=511), 5 (1%) developed intestinal perforation, 4 (0.8%) died as a result of complications, and 26 (5%) were hospitalized for severe enterocolitis.

#### **Immune-Mediated Hepatitis**

OPDIVO can cause immune-mediated hepatitis. Monitor patients for abnormal liver tests prior to and periodically during treatment. Administer corticosteroids for Grade 2 or greater transaminase elevations. For patients without HCC, withhold OPDIVO for Grade 2 and permanently discontinue OPDIVO for Grade 3 or 4. For patients with HCC, withhold OPDIVO and administer corticosteroids if AST/ALT is within normal limits at baseline and increases to  $>3$  and up to 5 times the upper limit of normal (ULN), if AST/ALT is  $>1$  and up to 3 times ULN at baseline and increases to  $>5$  and up to 10 times the ULN, and if AST/ALT is  $>3$  and up to 5 times ULN at baseline and increases to  $>8$  and up to 10 times the ULN. Permanently discontinue OPDIVO and administer corticosteroids if AST or ALT increases to  $>10$  times the ULN or total bilirubin increases  $>3$  times the ULN. In patients receiving OPDIVO monotherapy, immune-mediated hepatitis occurred in 1.8% (35/1994) of patients. In patients receiving OPDIVO with YERVOY, immune-mediated hepatitis occurred in 13% (51/407) of patients.

In Checkmate 040, immune-mediated hepatitis requiring systemic corticosteroids occurred in 5% (8/154) of patients receiving OPDIVO.

In a separate Phase 3 study of YERVOY 3 mg/kg, severe, life-threatening, or fatal hepatotoxicity (AST or ALT elevations  $>5x$  the ULN or total bilirubin elevations  $>3x$  the ULN; Grade 3-5) occurred in 8 (2%) patients, with fatal hepatic failure in 0.2% and hospitalization in 0.4%.

### **Immune-Mediated Neuropathies**

In a separate Phase 3 study of YERVOY 3 mg/kg, 1 case of fatal Guillain-Barré syndrome and 1 case of severe (Grade 3) peripheral motor neuropathy were reported.

### **Immune-Mediated Endocrinopathies**

OPDIVO can cause immune-mediated hypophysitis, immune-mediated adrenal insufficiency, autoimmune thyroid disorders, and Type 1 diabetes mellitus. Monitor patients for signs and symptoms of hypophysitis, signs and symptoms of adrenal insufficiency, thyroid function prior to and periodically during treatment, and hyperglycemia. Administer hormone replacement as clinically indicated and corticosteroids for Grade 2 or greater hypophysitis. Withhold for Grade 2 or 3 and permanently discontinue for Grade 4 hypophysitis. Administer corticosteroids for Grade 3 or 4 adrenal insufficiency. Withhold for Grade 2 and permanently discontinue for Grade 3 or 4 adrenal insufficiency. Administer hormone-replacement therapy for hypothyroidism. Initiate medical management for control of hyperthyroidism. Withhold OPDIVO for Grade 3 and permanently discontinue for Grade 4 hyperglycemia.

In patients receiving OPDIVO monotherapy, hypophysitis occurred in 0.6% (12/1994) of patients. In patients receiving OPDIVO with YERVOY, hypophysitis occurred in 9% (36/407) of patients. In patients receiving OPDIVO monotherapy, adrenal insufficiency occurred in 1% (20/1994) of patients. In patients receiving OPDIVO with YERVOY, adrenal insufficiency occurred in 5% (21/407) of patients. In patients receiving OPDIVO monotherapy, hypothyroidism or thyroiditis resulting in hypothyroidism occurred in 9% (171/1994) of patients. Hyperthyroidism occurred in 2.7% (54/1994) of patients receiving OPDIVO monotherapy. In patients receiving OPDIVO with YERVOY, hypothyroidism or thyroiditis resulting in hypothyroidism occurred in 22% (89/407) of patients. Hyperthyroidism occurred in 8% (34/407) of patients receiving OPDIVO with YERVOY. In patients receiving OPDIVO monotherapy, diabetes occurred in 0.9% (17/1994) of patients. In patients receiving OPDIVO with YERVOY, diabetes occurred in 1.5% (6/407) of patients.

In a separate Phase 3 study of YERVOY 3 mg/kg, severe to life-threatening immune-mediated endocrinopathies (requiring hospitalization, urgent medical intervention, or interfering with activities of daily living; Grade 3-4) occurred in 9 (1.8%) patients. All 9 patients had hypopituitarism, and some had additional concomitant endocrinopathies such as adrenal insufficiency, hypogonadism, and hypothyroidism. 6 of the 9 patients were hospitalized for severe endocrinopathies.

### **Immune-Mediated Nephritis and Renal Dysfunction**

OPDIVO can cause immune-mediated nephritis. Monitor patients for elevated serum creatinine prior to and periodically during treatment. Administer corticosteroids for Grades 2-4 increased serum creatinine. Withhold OPDIVO for Grade 2 or 3 and permanently discontinue for Grade 4 increased serum creatinine. In patients receiving OPDIVO monotherapy, immune-mediated nephritis and renal dysfunction occurred in 1.2% (23/1994) of patients. In patients receiving OPDIVO with YERVOY, immune-mediated nephritis and renal dysfunction occurred in 2.2% (9/407) of patients.

### **Immune-Mediated Skin Adverse Reactions and Dermatitis**

OPDIVO can cause immune-mediated rash, including Stevens-Johnson syndrome (SJS) and toxic epidermal necrolysis (TEN), some cases with fatal outcome. Administer corticosteroids for Grade 3 or 4 rash. Withhold for Grade 3 and permanently discontinue for Grade 4 rash. For symptoms or signs of SJS or TEN, withhold OPDIVO and refer the patient for specialized care for assessment and treatment; if confirmed, permanently discontinue. In patients receiving OPDIVO monotherapy, immune-mediated rash occurred in 9% (171/1994) of patients. In patients receiving OPDIVO with YERVOY, immune-mediated rash occurred in 22.6% (92/407) of patients.

In a separate Phase 3 study of YERVOY 3 mg/kg, severe, life-threatening, or fatal immune-mediated dermatitis (eg, Stevens-Johnson syndrome, toxic epidermal necrolysis, or rash complicated by full thickness dermal ulceration, or necrotic, bullous, or hemorrhagic manifestations; Grade 3-5) occurred in 13 (2.5%) patients. 1 (0.2%) patient died as a result of toxic epidermal necrolysis. 1 additional patient required hospitalization for severe dermatitis.

### **Immune-Mediated Encephalitis**

OPDIVO can cause immune-mediated encephalitis. Evaluation of patients with neurologic symptoms may include, but not be limited to, consultation with a neurologist, brain MRI, and lumbar puncture. Withhold OPDIVO in patients with new-onset moderate to severe neurologic signs or symptoms and evaluate to rule out other causes. If other etiologies are ruled out, administer corticosteroids and permanently discontinue OPDIVO for immune-mediated encephalitis. In patients receiving OPDIVO monotherapy, encephalitis occurred in 0.2% (3/1994) of patients. Fatal limbic encephalitis occurred in one patient after 7.2 months of exposure despite discontinuation of OPDIVO and administration of corticosteroids. Encephalitis occurred in one patient receiving OPDIVO with YERVOY (0.2%) after 1.7 months of exposure.

### **Other Immune-Mediated Adverse Reactions**

Based on the severity of the adverse reaction, permanently discontinue or withhold OPDIVO, administer high-dose corticosteroids, and, if appropriate, initiate hormone-replacement therapy. Across clinical trials of OPDIVO monotherapy or in combination with YERVOY, the following clinically significant immune-mediated adverse reactions, some with fatal outcome, occurred in <1.0% of patients receiving OPDIVO: myocarditis, rhabdomyolysis, myositis, uveitis, iritis, pancreatitis, facial and abducens nerve paresis, demyelination, polymyalgia rheumatica, autoimmune neuropathy, Guillain-Barré syndrome, hypopituitarism, systemic inflammatory response syndrome, gastritis, duodenitis, sarcoidosis, histiocytic necrotizing lymphadenitis (Kikuchi lymphadenitis), motor dysfunction, vasculitis, and myasthenic syndrome.

**Infusion Reactions**

OPDIVO can cause severe infusion reactions, which have been reported in <1.0% of patients in clinical trials. Discontinue OPDIVO in patients with Grade 3 or 4 infusion reactions. Interrupt or slow the rate of infusion in patients with Grade 1 or 2. In patients receiving OPDIVO monotherapy, infusion-related reactions occurred in 6.4% (127/1994) of patients. In patients receiving OPDIVO with YERVOY, infusion-related reactions occurred in 2.5% (10/407) of patients.

**Complications of Allogeneic HSCT after OPDIVO**

Complications, including fatal events, occurred in patients who received allogeneic HSCT after OPDIVO. Outcomes were evaluated in 17 patients from Checkmate 205 and 039, who underwent allogeneic HSCT after discontinuing OPDIVO (15 with reduced-intensity conditioning, 2 with myeloablative conditioning). Thirty-five percent (6/17) of patients died from complications of allogeneic HSCT after OPDIVO. Five deaths occurred in the setting of severe or refractory GVHD. Grade 3 or higher acute GVHD was reported in 29% (5/17) of patients. Hyperacute GVHD was reported in 20% (n=2) of patients. A steroid-requiring febrile syndrome, without an identified infectious cause, was reported in 35% (n=6) of patients. Two cases of encephalitis were reported: Grade 3 (n=1) lymphocytic encephalitis without an identified infectious cause, and Grade 3 (n=1) suspected viral encephalitis. Hepatic veno-occlusive disease (VOD) occurred in one patient, who received reduced-intensity conditioned allogeneic HSCT and died of GVHD and multi-organ failure. Other cases of hepatic VOD after reduced-intensity conditioned allogeneic HSCT have also been reported in patients with lymphoma who received a PD-1 receptor blocking antibody before transplantation. Cases of fatal hyperacute GVHD have also been reported. These complications may occur despite intervening therapy between PD-1 blockade and allogeneic HSCT.

Follow patients closely for early evidence of transplant-related complications such as hyperacute GVHD, severe (Grade 3 to 4) acute GVHD, steroid-requiring febrile syndrome, hepatic VOD, and other immune-mediated adverse reactions, and intervene promptly.

**Embryo-Fetal Toxicity**

Based on their mechanisms of action, OPDIVO and YERVOY can cause fetal harm when administered to a pregnant woman. Advise pregnant women of the potential risk to a fetus. Advise females of reproductive potential to use effective contraception during treatment with an OPDIVO- or YERVOY- containing regimen and for at least 5 months after the last dose of OPDIVO.

**Lactation**

It is not known whether OPDIVO or YERVOY is present in human milk. Because many drugs, including antibodies, are excreted in human milk and because of the potential for serious adverse reactions in nursing infants from an OPDIVO-containing regimen, advise women to discontinue breastfeeding during treatment. Advise women to discontinue nursing during treatment with YERVOY and for 3 months following the final dose.

### Serious Adverse Reactions

In Checkmate 037, serious adverse reactions occurred in 41% of patients receiving OPDIVO (n=268). Grade 3 and 4 adverse reactions occurred in 42% of patients receiving OPDIVO. The most frequent Grade 3 and 4 adverse drug reactions reported in 2% to <5% of patients receiving OPDIVO were abdominal pain, hyponatremia, increased aspartate aminotransferase, and increased lipase. In Checkmate 066, serious adverse reactions occurred in 36% of patients receiving OPDIVO (n=206). Grade 3 and 4 adverse reactions occurred in 41% of patients receiving OPDIVO. The most frequent Grade 3 and 4 adverse reactions reported in □2% of patients receiving OPDIVO were gamma-glutamyltransferase increase (3.9%) and diarrhea (3.4%). In Checkmate 067, serious adverse reactions (73% and 37%), adverse reactions leading to permanent discontinuation (43% and 14%) or to dosing delays (55% and 28%), and Grade 3 or 4 adverse reactions (72% and 44%) all occurred more frequently in the OPDIVO plus YERVOY arm (n=313) relative to the OPDIVO arm (n=313). The most frequent (□10%) serious adverse reactions in the OPDIVO plus YERVOY arm and the OPDIVO arm, respectively, were diarrhea (13% and 2.6%), colitis (10% and 1.6%), and pyrexia (10% and 0.6%). In Checkmate 017 and 057, serious adverse reactions occurred in 46% of patients receiving OPDIVO (n=418). The most frequent serious adverse reactions reported in at least 2% of patients receiving OPDIVO were pneumonia, pulmonary embolism, dyspnea, pyrexia, pleural effusion, pneumonitis, and respiratory failure. In Checkmate 025, serious adverse reactions occurred in 47% of patients receiving OPDIVO (n=406). The most frequent serious adverse reactions reported in □2% of patients were acute kidney injury, pleural effusion, pneumonia, diarrhea, and hypercalcemia. In Checkmate 205 and 039, adverse reactions leading to discontinuation occurred in 7% and dose delays due to adverse reactions occurred in 34% of patients (n=266). Serious adverse reactions occurred in 26% of patients. The most frequent serious adverse reactions reported in □1% of patients were pneumonia, infusion-related reaction, pyrexia, colitis or diarrhea, pleural effusion, pneumonitis, and rash. Eleven patients died from causes other than disease progression: 3 from adverse reactions within 30 days of the last OPDIVO dose, 2 from infection 8 to 9 months after completing OPDIVO, and 6 from complications of allogeneic HSCT. In Checkmate 141, serious adverse reactions occurred in 49% of patients receiving OPDIVO (n=236). The most frequent serious adverse reactions reported in at least 2% of patients receiving OPDIVO were pneumonia, dyspnea, respiratory failure, respiratory tract infection, and sepsis. In Checkmate 275, serious adverse reactions occurred in 54% of patients receiving OPDIVO (n=270). The most frequent serious adverse reactions reported in at least 2% of patients receiving OPDIVO were urinary tract infection, sepsis, diarrhea, small intestine obstruction, and general physical health deterioration. In Checkmate 040, serious adverse reactions occurred in 49% of patients (n=154). The most frequent serious adverse reactions reported in at least 2% of patients were pyrexia, ascites, back pain, general physical health deterioration, abdominal pain, and pneumonia. In Checkmate 238, Grade 3 or 4 adverse reactions occurred in 25% of OPDIVO-treated patients (n=452). The most frequent Grade 3 and 4 adverse reactions reported in at least 2% of OPDIVO-treated patients were diarrhea and increased lipase and amylase. Serious adverse reactions occurred in 18% of OPDIVO-treated patients.

### Common Adverse Reactions

In Checkmate 037, the most common adverse reaction (□20%) reported with OPDIVO (n=268) was rash (21%). In Checkmate 066, the most common adverse reactions (□20%) reported with OPDIVO (n=206) vs dacarbazine (n=205) were fatigue (49% vs 39%), musculoskeletal pain (32% vs 25%), rash (28% vs 12%), and pruritus (23% vs 12%). In Checkmate 067, the most common (□20%) adverse reactions in the OPDIVO plus YERVOY arm (n=313) were fatigue (59%), rash (53%), diarrhea (52%), nausea (40%), pyrexia (37%), vomiting (28%), and dyspnea (20%). The most common (□20%) adverse reactions in the OPDIVO (n=313) arm were fatigue (53%), rash (40%), diarrhea (31%), and nausea (28%). In Checkmate 017 and 057, the most common adverse reactions (□20%) in patients receiving OPDIVO (n=418) were fatigue, musculoskeletal pain, cough, dyspnea, and decreased appetite. In Checkmate 025, the most common adverse reactions (□20%) reported in patients receiving OPDIVO (n=406) vs everolimus (n=397) were asthenic conditions (56% vs 57%), cough (34% vs 38%), nausea (28% vs 29%), rash (28% vs 36%), dyspnea (27% vs 31%), diarrhea (25% vs 32%), constipation (23% vs 18%), decreased appetite (23% vs 30%), back pain (21% vs 16%), and arthralgia (20% vs 14%). In Checkmate 205 and 039, the most common adverse reactions (□20%) reported in patients receiving OPDIVO (n=266) were upper respiratory tract infection (44%), fatigue (39%), cough (36%), diarrhea (33%), pyrexia (29%), musculoskeletal pain (26%), rash (24%), nausea (20%) and pruritus (20%). In Checkmate 141, the most common adverse reactions (□10%) in patients receiving OPDIVO (n=236) were cough and dyspnea at a higher incidence than investigator's choice. In Checkmate 275, the most common adverse reactions (□20%) reported in patients receiving OPDIVO (n=270) were fatigue (46%), musculoskeletal pain (30%), nausea (22%), and decreased appetite (22%). In Checkmate 040, the most common adverse reactions (□20%) in patients receiving OPDIVO (n=154) were fatigue (38%), musculoskeletal pain (36%), abdominal pain (34%), pruritus (27%), diarrhea (27%), rash (26%), cough (23%), and decreased appetite (22%). In Checkmate 238, the most common adverse reactions (□20%) reported in OPDIVO-treated patients (n=452) vs ipilimumab-treated patients (n=453) were fatigue (57% vs 55%), diarrhea (37% vs 55%), rash (35% vs 47%), musculoskeletal pain (32% vs 27%), pruritus (28% vs 37%), headache (23% vs 31%), nausea (23% vs 28%), upper respiratory infection (22% vs 15%), and abdominal pain (21% vs 23%). The most common immune-mediated adverse reactions were rash (16%), diarrhea/colitis (6%), and hepatitis (3%). The most common adverse reactions (□20%) in patients who received OPDIVO as a single agent were fatigue, rash, musculoskeletal pain, pruritus, diarrhea, nausea, asthenia, cough, dyspnea, constipation, decreased appetite, back pain, arthralgia, upper respiratory tract infection, pyrexia, headache, and abdominal pain.

In a separate Phase 3 study of YERVOY 3 mg/kg, the most common adverse reactions (□5%) in patients who received YERVOY at 3 mg/kg were fatigue (41%), diarrhea (32%), pruritus (31%), rash (29%), and colitis (8%).

### **Checkmate Trials and Patient Populations**

**Checkmate 067** – advanced melanoma alone or in combination with YERVOY; **Checkmate 037 and 066** – advanced melanoma; **Checkmate 017** – squamous non-small cell lung cancer (NSCLC); **Checkmate 057** – non-squamous NSCLC; **Checkmate 025** – renal cell carcinoma; **Checkmate 205/039** – classical Hodgkin lymphoma; **Checkmate 141** – squamous cell carcinoma of the head and neck; **Checkmate 275** – urothelial carcinoma; **Checkmate 040** – hepatocellular carcinoma; **CheckMate 238** – adjuvant treatment of melanoma.

Please see U.S. Full Prescribing Information for OPDIVO and YERVOY, including **Boxed WARNING regarding immune-mediated adverse reactions for YERVOY**.

### **About the Bristol-Myers Squibb and Ono Pharmaceutical Co., Ltd. Collaboration**

In 2011, through a collaboration agreement with Ono Pharmaceutical Co., Ltd. (Ono), Bristol-Myers Squibb expanded its territorial rights to develop and commercialize *Opdivo* globally except in Japan, South Korea and Taiwan, where Ono had retained all rights to the compound at the time. On July 23, 2014, Bristol-Myers Squibb and Ono further expanded the companies' strategic collaboration agreement to jointly develop and commercialize multiple immunotherapies – as single agents and combination regimens – for patients with cancer in Japan, South Korea and Taiwan.

### **About Bristol-Myers Squibb**

Bristol-Myers Squibb is a global biopharmaceutical company whose mission is to discover, develop and deliver innovative medicines that help patients prevail over serious diseases. For more information about Bristol-Myers Squibb, visit us at [BMS.com](http://BMS.com) or follow us on [LinkedIn](#), [Twitter](#), [YouTube](#) and [Facebook](#).

### **Bristol-Myers Squibb Forward-Looking Statement**

*This press release contains “forward-looking statements” as that term is defined in the Private Securities Litigation Reform Act of 1995 regarding the research, development and commercialization of pharmaceutical products. Such forward-looking statements are based on current expectations and involve inherent risks and uncertainties, including factors that could delay, divert or change any of them, and could cause actual outcomes and results to differ materially from current expectations. No forward-looking statement can be guaranteed. Among other risks, there can be no guarantee that the collaboration with Nektar will progress as contemplated in this release or that NKTR-214, alone or in combination with Opdivo or Opdivo plus Yervoy will receive regulatory approval for the treatment of cancer. Forward-looking statements in this press release should be evaluated together with the many uncertainties that affect Bristol-Myers Squibb’s business, particularly those identified in the cautionary factors discussion in Bristol-Myers Squibb’s Annual Report on Form 10-K for the year ended December 31, 2017 in our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K. Bristol-Myers Squibb undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.*

## About Nektar Therapeutics

Nektar Therapeutics is a biopharmaceutical company with a robust, wholly-owned R&D pipeline of investigational medicines in oncology, immunology and pain as well as a portfolio of approved partnered medicines. Nektar is headquartered in San Francisco, California, with additional operations in Huntsville, Alabama and Hyderabad, India. Further information about the company and its drug development programs and capabilities may be found online at <http://www.nektar.com>.

## ***Nektar Cautionary Note Regarding Forward-Looking Statements***

*This press release contains forward-looking statements which can be identified by words such as: “anticipate,” “intend,” “plan,” “expect,” “believe,” “should,” “may,” “will” and similar references to future periods. Examples of forward-looking statements include, among others, statements we make regarding the therapeutic potential of NKTR-214, the therapeutic potential of NKTR-214 in combination with OPDIVO, the development plans and timing related to NKTR-214, and the potential of our technology and drug candidates in our research and development pipeline. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results to differ materially from those indicated in the forward-looking statements include, among others: (i) our statements regarding the therapeutic potential of NKTR-214 in combination with Opdivo are based on findings and observations from ongoing clinical studies and these finding and observations will evolve over time as more data emerges from the studies; (ii) NKTR-214 is in early-stage clinical development and the risk of failure remains high and failure can unexpectedly occur due to efficacy, safety, economic, commercial or other unpredictable factors; (iii) the timing of the commencement or end of clinical trials and the availability of clinical data may be delayed or unsuccessful due to regulatory delays, slower than anticipated patient enrollment, manufacturing challenges, changing standards of care, evolving regulatory requirements, clinical trial design, clinical outcomes, competitive factors, or delay or failure in ultimately obtaining regulatory approval in one or more important markets; (iv) scientific discovery of new medical breakthroughs is an inherently uncertain process and the future success of applying our technology platform to potential new drug candidates (such as NKTR-214) is therefore highly uncertain and unpredictable and one or more research and development programs could fail; (v) patents may not issue from our patent applications for our drug candidates including NKTR-214, patents that have issued may not be enforceable, or additional intellectual property licenses from third parties may be required; and (vi) certain other important risks and uncertainties set forth in our Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 8, 2017. Any forward-looking statement made by us in this press release is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.*



**Contact (for Bristol-Myers Squibb):****Media:**

Ken Dominski, 609-252-5251, [ken.dominski@bms.com](mailto:ken.dominski@bms.com)  
Lisa McCormick Lavery, 609-252-7602, [lisa.mccormicklavery@bms.com](mailto:lisa.mccormicklavery@bms.com)

**Investors:**

Tim Power, 609-252-7509, [timothy.power@bms.com](mailto:timothy.power@bms.com)  
Bill Szablewski, 609-252-5894, [william.szablewski@bms.com](mailto:william.szablewski@bms.com)

**Contacts (for Nektar):**

Investors:  
Jennifer Ruddock of Nektar Therapeutics  
415-482-5585

**Media:**

Dan Budwick of 1AB  
973-271-6085  
[dan@1abmedia.com](mailto:dan@1abmedia.com)

Jennifer Paganelli of Pure Communications  
347-658-8290  
[jpaganelli@purecommunications.com](mailto:jpaganelli@purecommunications.com)

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