Nektar Therapeutics Announces Agreement with Healthcare Royalty to Sell ADYNOVATE® and MOVANTIK® Royalties for $150 Million

December 22, 2020

SAN FRANCISCO, Dec. 22, 2020 /PRNewswire/ -- Nektar Therapeutics (NASDAQ: NKTR) today announced that it agreed to sell to entities managed by Healthcare Royalty Management, LLC (HCR) its royalties on future sales of ADYNOVATE, under Nektar's agreement with Baxalta Incorporated, a Takeda company, and MOVANTIK, under Nektar's agreement with AstraZeneca AB. Under the terms of the new Purchase and Sale Agreement, HCR will pay Nektar an aggregate cash payment of $150.0 million by December 31, 2020.

Nektar intends to use the net proceeds of the transaction towards the funding of clinical trials for its early and late stage immune-oncology programs. For the nine-month period ended September 30, 2020, Nektar recognized $30.5 million in aggregate royalties from net sales of ADYNOVATE and MOVANTIK.

"This non-dilutive financing strengthens our financial position as we continue to advance our key IL-2 and IL-15 pipeline programs in solid and liquid tumor settings," said Howard W. Robin, President and Chief Executive Officer of Nektar. "We would like to thank HCR for partnering with us on this transaction."

The new Purchase and Sale Agreement with HCR includes provisions for automatic expiration upon reaching either aggregate royalty payments equal to $210.0 million by the end of 2025 or, if that threshold is not met, aggregate royalty payments of $240.0 million over the life of the agreement. After expiration, all rights to receive the royalties return to Nektar. With the closing of this Agreement in the fourth quarter of 2020, Nektar now expects to end the year with approximately $1.2 billion in cash and investments in marketable securities.

Clarke Futch, Managing Partner & Chairman at HCR, stated: "We are pleased to have had the opportunity to help Nektar monetize non-core royalty assets as the company continues to fund the development of its pipeline. ADYNOVATE and MOVANTIK are mature, important medicines that HCR is pleased to add to its portfolio."

Morgan Stanley & Co. LLC acted as sole structuring agent to Nektar in connection with the transaction, and Goodwin Procter LLP acted as special counsel to Nektar. Gibson Dunn & Crutcher LLP acted as counsel to HCR.

About Nektar Therapeutics

Nektar Therapeutics is a biopharmaceutical company with a robust, wholly owned R&D pipeline of investigational medicines in oncology, immunology and virology. 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.

About Healthcare Royalty Partners

HCR is a private investment firm that purchases royalties and uses debt-like structures to invest in commercial or near-commercial stage biopharmaceutical assets. HCR has raised $5.7 billion in cumulative capital commitments with offices in Stamford (CT), San Francisco, Boston and London. For more information, visit www.healthcareroyalty.com.

Cautionary Note Regarding Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as: "will," "intend," "continue," "return," "expect" and similar references to future periods. Examples of forward-looking statements include, among others, statements we make regarding our intentions for funding specified clinical trials, the strength of our financial period in future periods, and our expectations for our year-end cash position. 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) the extent and duration of the impact of the COVID-19 pandemic on our business, regulatory efforts, research and development, clinical trials (including those being led by us and our partner), and corporate development activities will depend on future developments that are highly uncertain and cannot be accurately predicted, such as the ultimate duration of the pandemic, travel restrictions, quarantines, social distancing and business closure requirements in the U.S. and in other countries, as well as the effectiveness of actions taken globally to contain and treat the disease; (ii) our drug candidates 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 safety and efficacy findings even after positive findings in preclinical and clinical studies; (iii) the timing of the commencement or end of clinical trials and the commercial launch of our drug candidates 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 the application of our technology platform to potential new drug candidates is therefore highly uncertain and unpredictable and one or more research and development programs could fail; and (v) certain other important risks and uncertainties set forth in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on November 6, 2020. 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.

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ADYNOVATE is a registered trademark of Baxalta Incorporated, a Takeda company, and MOVANTIK is a registered trademark of AstraZeneca AB.

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