March 17, 2015

Etirinotecan Pegol (NKTR-102) Prolonged Median Overall Survival by 2.1 Months versus Active Control in Patients with Advanced Breast Cancer in Phase 3 Study; Trial Did Not Achieve Statistical Significance (p=0.08)

--- Significant Survival Benefit Observed in Pre-Specified Subgroups Including Patients with Brain Metastases and Patients with Baseline Liver Metastases ---
--- Company Plans to Explore Potential Regulatory Pathways in U.S. and Europe ---
-- Nektar to Host Analyst Conference Call and Slide Presentation Today at 4:45 PM Eastern Time --

SAN FRANCISCO, March 17, 2015 /PRNewswire/ -- Nektar Therapeutics (NASDAQ: NKTR) today announced topline results from its Phase 3 BEACON study evaluating single-agent NKTR-102 in patients with advanced breast cancer. BEACON compared NKTR-102 to an active control arm comprised of a single chemotherapy agent of physician's choice (TPC) in patients who were heavily pre-treated with a median of three prior therapies for metastatic disease. In a topline analysis of 852 patients from the trial, NKTR-102 provided a 2.1 month improvement in median overall survival (OS) over TPC (12.4 months for patients receiving NKTR-102 compared to 10.3 months for patients receiving TPC). Based on a stratified log-rank analysis, the primary endpoint measuring the Hazard Ratio (HR) for survival in the NKTR-102 group compared to the active control arm was 0.87 with a p-value of 0.08, which did not achieve statistical significance.

In a pre-specified subgroup of patients with a history of brain metastases, NKTR-102 showed an improvement of 5.2 months in median OS (10.0 months compared to 4.8 months, n=67, HR 0.51, p-value < 0.01). The proportion of patients with brain metastases with 12-month survival was 44.4% in the NKTR-102 arm as compared to 19.4% in the control arm.

In a pre-specified subgroup of patients with baseline liver metastases at study entry, NKTR-102 showed an improvement of 2.6 months in median OS (10.9 months versus 8.3 months, n=456, HR 0.73, p-value < 0.002). In these patients with baseline liver metastases, the proportion of patients with 12-month survival was 46.9% in the NKTR-102 arm as compared to 33.3% in the control arm.

Breast cancer is the second leading cause of cancer related death among women, according to the National Cancer Institute. This year, an estimated 207,000 women will be diagnosed with breast cancer, and over 39,000 women will die from the disease in the U.S. Brain metastases are diagnosed in 30% of patients with advanced breast cancer.[1] Liver metastases develop in approximately half of all women with metastatic breast cancer and are typically associated with advanced disease and poor outcome.[2]

"In BEACON, NKTR-102 provided a clinically meaningful benefit with a greater than two month survival advantage in these late-stage breast cancer patients, many who were refractory to existing therapies," said Dr. Cortes. "NKTR-102 exhibited a lower rate of high grade adverse events including a reduced rate of neutropenia as compared to active control, which dramatically decreased the need for growth factor support in the NKTR-102 arm of the study. Of particular significance, median survival in patients with brain metastases was more than double on NKTR-102 and the 12-month survival rate for this sub-group was impressive at 44% compared to 19% with other active agents."

Dr. Edith Perez, Deputy Director of the Mayo Clinic Cancer Center and Dr. Javier Cortes, Director of the Breast Cancer Program at Vall d'Hebron University Hospital in Spain, served as co-principal investigators of the global, multi-center study. BEACON enrolled 852 patients with advanced breast cancer whose disease had progressed following treatment with anthracycline, taxane and capecitabine (ATC).

"Given the frequency of cross-resistance and overlapping toxicities observed with many available agents, NKTR-102 would offer a new mechanism of action for physicians and patients in the fight against advanced breast cancer," said Dr. Joyce O'Shaughnessy, a lead BEACON investigator and steering committee member in the United States and Chair, Breast Cancer Research, The US Oncology Network and the Baylor Sammons Cancer Center, Texas Oncology, Dallas, Texas. "The results in the subgroups of patients with both liver and brain metastases are noteworthy because NKTR-102 is designed to enhance concentration of its active metabolite in highly vascular tumor environments. From a clinician's perspective, the combination of NKTR-102's clinical benefit and improved tolerability supports its value as a potential new treatment option in late stage breast cancer."

Secondary endpoints in the BEACON study included objective response rate (ORR) and progression-free survival (PFS), which did not achieve statistical significance in the study.

The incidence of Grade 3 and higher adverse events (AEs) was lower in the NKTR-102 arm (48%) compared to the TPC arm (63%). The most common Grade 3 and above AEs observed with NKTR-102 were diarrhea (9.6%), neutropenia (9.6%), anemia (4.7%) and fatigue (4.5%). There was no Grade 4 diarrhea reported with NKTR-102 in the trial. The most common Grade 3 and above AEs observed with TPC were neutropenia (30.8%), anemia (4.7%), and dyspnea (4.4%). Severe neuropathy (G3 or higher) was seen in 3.7% of patients on TPC versus 0.5% of patients in the NKTR-102 arm. Rates of G1/G2 alopecia in the NKTR-102 arm were also lower (10%) than in the TPC arm (23%).

"It is clear from our BEACON study that NKTR-102 has potential as an important anti-cancer agent when compared to the best available treatment options today for women with advanced breast cancer," said Howard W. Robin, president and chief executive officer of Nektar Therapeutics. "Given the significant need for new drugs to treat patients with this devastating disease, we will be exploring potential paths forward for NKTR-102 in metastatic breast cancer with regulatory agencies."

NKTR-102 was designed to be the first topoisomerase I inhibitor with a novel molecular structure that concentrates the drug in vascularized tumors and extends its circulation time in the plasma. In 2012, the FDA designated NKTR-102 as a Fast Track development program for the treatment of patients with locally recurrent or metastatic breast cancer progressing after treatment with ATC.

Nektar will continue to review and analyze the data from the BEACON study. Data from the BEACON study will be submitted for presentation at an upcoming medical meeting.

Conference Call, Slide Presentation and Webcast Information
Nektar will host a conference call and webcast slide presentation today, March 17, 2015, at 4:45 PM Eastern Time. The call can be accessed by dialing (877) 881-2183 (U.S.) or (970) 315-0453 (international), and entering passcode 9310762. To access the live webcast, or the subsequent archived recording, visit the Investor Relations section of the Nektar website at www.nektar.com. The webcast will be available for replay on Nektar's website through March 31, 2015.

About the BEACON Study Design
The open-label, randomized, multicenter study enrolled 852 women with locally recurrent or metastatic breast cancer who previously had been treated with ATC and had progressed following treatment. The study was conducted at 139 sites worldwide including in North America, Europe and the Republic of Korea. Nearly half of the patients enrolled in BEACON were located in North America. Patients were randomized on a 1:1 basis to receive 145 mg/m2 of single-agent NKTR-102 once every three weeks or a single agent of the physician's choice, including ixabepilone, vinorelbine, gemcitabine, eribulin or a taxane. Randomization was stratified by geographic region, prior use of eribulin and receptor status.

The primary endpoint of the BEACON study was overall survival; key secondary endpoints included objective tumor response rates and progression-free survival. The study also evaluated specific biomarker data to assess correlation with efficacy and safety outcomes.

About NKTR-102
NKTR-102 is the first long-acting topoisomerase I inhibitor with an extended half-life and a unique structure that is designed to concentrate the drug in tumors. In patients, NKTR-102 leads to greatly prolonged plasma SN38 exposure compared with irinotecan (elimination half-life of 50 days compared with 2 days) yet peak SN38 concentrations are at least 5- to 10-times less, which may also result in a favorable tolerability profile.

About Metastatic Breast Cancer
Breast cancer is the most frequently diagnosed cancer and is the leading cause of cancer death among women worldwide.[i] More than 1.6 million new cases of breast cancer were diagnosed among women around the world in 2010.[ii] Approximately 425,000 women around the world died from the disease in 2010.[iii] There are approximately 200,000 new cases of breast cancer in the United States and 430,000 in Europe each year.[iv] Metastatic breast cancer refers to cancer that has spread from the breast to distant sites in the body.

Anthracyclines and taxanes (AT) are the most active and widely used chemotherapeutic agents for breast cancer. However, the increased use of these agents at an early stage of disease often renders tumors resistant to these drugs by the time the disease recurs, thereby reducing the number of treatment options for metastatic disease. Drugs used to treat patients who progress following AT treatment can have response rates as high as 20 to 30 percent. However, resistance develops rapidly and new agents with different mechanisms of action, such as topoisomerase I inhibitors, are needed to allow novel ways to overcome the problem of drug resistance.[v] There are currently no FDA-approved topoisomerase I inhibitors to treat breast cancer.

About Nektar
Nektar Therapeutics has a robust R&D pipeline in pain, oncology, hemophilia and other therapeutic areas. In the area of pain, Nektar has an exclusive worldwide license agreement with AstraZeneca for MOVANTIK™ (naloxegol), the first FDA-approved once-daily oral peripherally-acting mu-opioid receptor antagonist (PAMORA) medication for the treatment of opioid-induced constipation (OIC), in adult patients with chronic, non-cancer pain. The product is also approved in the European Union as MOVENTIG® and is indicated for adult patients with OIC who have had an inadequate response to laxatives. The AstraZeneca agreement also includes NKTR-119, an earlier stage development program that is a co-formulation of MOVANTIK™ and an opioid. NKTR-181, a wholly-owned mu-opioid analgesic molecule for chronic pain conditions, is in Phase 3 development. NKTR-171, a wholly-owned new sodium channel blocker being developed as an oral therapy for the treatment of peripheral neuropathic pain, is in Phase 1 clinical development. In hemophilia, BAX 855, a longer-acting PEGylated Factor VIII therapeutic is in Phase 3 development conducted by partner Baxter. A BLA for BAX 855 was filed by Baxter to the US FDA in December, 2014 and is currently under review. In anti-infectives, Amikacin Inhale is in Phase 3 studies conducted by Bayer Healthcare as an adjunctive treatment for intubated and mechanically ventilated patients with Gram-negative pneumonia.

Nektar's technology has enabled nine approved products in the U.S. or Europe through partnerships with leading biopharmaceutical companies, including AstraZeneca's MOVANTIK™, UCB's Cimzia® for Crohn's disease and rheumatoid arthritis, Roche's PEGASYS® for hepatitis C and Amgen's Neulasta® for neutropenia.

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.

MOVANTIK™ is a trademark of the AstraZeneca group of companies.

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: "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 potential of NKTR-102 and the value and potential of our technology and 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) the FDA and European Medicines Agency rarely approve drugs on the basis of studies that do not achieve statistical significance on the primary endpoint; (ii) while data from certain pre-specified subgroups in the BEACON study was positive, the study did not achieve statistical significance for its primary endpoint and secondary endpoints; (iii) our drug candidates and those of our 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 safety and efficacy findings even after positive findings in previous preclinical and clinical studies; (iv) acceptance, review and approval decisions for new drug applications by health authorities is an uncertain and evolving process and health authorities retain significant discretion at all stages of the regulatory review and approval decision process; (v) patents may not issue from our patent applications for our drug candidates, patents that have issued may not be enforceable, or additional intellectual property licenses from third parties may be required; and (vi) the outcome of any existing or future intellectual property or other litigation related to our drug candidates and those of our collaboration partners. Other important risks and uncertainties are set forth in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 26, 2015. 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:
Investors
Jennifer Ruddock of Nektar Therapeutics
415-482-5585

Media
Nadia Hasan of WCG
212-257-6738

[1] Cancer Metastases Review, 2007

[2] Selzner et. al., Surgery 2000; 127 (4): (383-389).

[i] American Cancer Society, Global Cancer Facts & Figures 2nd edition.

[ii] Institute for Health Metrics and Evaluation, University of Washington, The Challenge Ahead: Progress and Setbacks in Breast and Cervical Cancer, September 2011. Also see: Breast and cervical cancer in 187 countries between 1980 and 2010: a systematic analysis. www.thelancet.com September 15, 2011.

[iii] Institute for Health Metrics and Evaluation, University of Washington, The Challenge Ahead: Progress and Setbacks in Breast and Cervical Cancer, September 2011. Also see: Breast and cervical cancer in 187 countries between 1980 and 2010: a systematic analysis. www.thelancet.com September 15, 2011.

[iv] American Cancer Society, 2009 Global Cancer Facts and Figures Report.

[v] Moreno-Aspitia and Perez, Mayo Clin Proc. 2009; 84(6):533-545.