



Jounce Therapeutics Announces Major Strategic Collaboration with Celgene Corporation to Develop Next-generation Immuno-oncology Therapies for Patients with Cancer

Jounce to receive upfront payment of \$225 million, a \$36 million equity investment and up to an additional \$2.3 billion in future milestone payments across all programs included in the collaboration

Celgene to receive options to jointly develop and commercialize Jounce's lead product candidate, JTX-2011, and additional innovative immunotherapies targeting B cells, T regulatory cells and tumor-associated macrophages

CAMBRIDGE, Mass., July 19, 2016 – Jounce Therapeutics, Inc., a company focused on the discovery and development of novel cancer immunotherapies and predictive biomarkers for patient enrichment, today announced a global strategic collaboration with Celgene Corporation (NASDAQ: CELG) focused on developing and commercializing innovative immuno-oncology treatments for patients with cancer. The collaboration includes options on Jounce's lead product candidate, JTX-2011, targeting ICOS, and up to four early-stage programs to be selected from a defined pool of B cell, T regulatory cell and tumor-associated macrophage targets emerging from the Jounce Translational Science Platform and an additional option to equally share a checkpoint immuno-oncology program. Post option exercise, Jounce will lead global development and U.S. commercialization for JTX-2011 and one additional collaboration program.

“Jounce has built a unique immuno-oncology platform and pipeline with a focus on the development of novel cancer therapies matched to patient populations most likely to respond,” said Robert Hershberg, M.D., Ph.D., chief scientific officer, Celgene. “This collaboration allows both companies to leverage broad capabilities in immuno-oncology to bring forward a new generation of product candidates for cancer patients.”

“Celgene is the ideal partner to collaborate with Jounce to bring potentially transformational treatments to patients with cancer,” said Richard Murray, Ph.D., chief executive officer, Jounce Therapeutics. “This partnership is of significant strategic value for Jounce. With Celgene as our partner, we can broaden our platform, advance our discovery programs and execute comprehensive clinical strategies, all in the context of our approach to bring the right immunotherapies to the right patient populations.”

Under the terms of the collaboration, Jounce will receive an upfront payment of \$225 million and a \$36 million equity investment from Celgene. Jounce will also receive regulatory, development, and net sales milestone payments and tiered royalties on ex-U.S. sales. Aggregate payments for development, regulatory and commercial milestones could potentially be \$2.3 billion in total across all programs reaching commercialization.



Celgene has the option to opt-in at defined stages of development across the programs. Following any opt-in, Celgene and Jounce will share U.S. profits and losses on all programs, as follows:

- Jounce will retain a 60 percent U.S. profit share of JTX-2011, with 40 percent allocated to Celgene;
- Jounce will retain a 25 percent U.S. profit share on the first additional program, with 75 percent allocated to Celgene;
- Jounce and Celgene will equally share U.S. profits on up to three additional programs;
- After opt-in, all development costs will be shared in a manner that is commensurate with product rights; and
- Celgene will also receive exclusive ex-U.S. commercialization rights for each of the above programs, and Jounce is eligible to receive a royalty on any resulting ex-U.S. sales. Celgene and Jounce will equally share profits globally for the checkpoint program.

About JTX-2011

Jounce's lead product candidate, JTX-2011, is a monoclonal antibody that binds to and activates ICOS, the Inducible T cell CO-Stimulator, a protein on the surface of certain T cells that is believed to stimulate an immune response against a patient's cancer. We are developing JTX-2011 to treat solid tumors as a single agent and in combination with other therapies. JTX-2011 is expected to enter the clinic in the second half of 2016.

About the Jounce Translational Science Platform

Jounce's Translational Science Platform applies an unbiased bioinformatics-based approach to interrogate particular cell types within the human tumor microenvironment (the cellular environment that makes up a tumor). The platform is designed to prioritize targets and identify related biomarkers to match the right therapy to the right patients.

About Jounce Therapeutics

Jounce Therapeutics is an immuno-oncology company dedicated to transforming the treatment of cancer. The company is discovering and developing novel cancer immunotherapies designed to harness the immune system to attack tumors and provide long-lasting benefits to patients. Jounce integrates translational science insights, including identification of related biomarkers designed to match the right immunotherapy to the right patients. The company is advancing programs that leverage contributions from its world-class founders, as well as knowledge acquired from Jounce's Translational Science Platform, to create a sustainable "discovery to human proof-of-concept" product engine with the potential to drive significantly more durable responses to treatment. Founded by world leaders in tumor immunology, cancer biology and clinical and translational medicine, Jounce Therapeutics was launched in 2013 with funding from leading life sciences investor, Third Rock Ventures. For more information, please visit www.jouncetx.com.

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