



NantKwest Chairman & CEO Dr. Patrick Soon-Shiong Exercises \$39 Million in Warrants and Options in Support of NK's Natural Killer Cell Strategic Vision Beyond Check Point Immunotherapy

March 25, 2019

Completion of Phase 1 First-in-Human Trials of Cryopreserved, Off-The-Shelf haNK Cells Leads the Way to Pivotal Phase 2 Trials in Relapsed Merkel Cell Carcinoma

Funding to Support INDs for First-in-Human Targeted Off-The-Shelf NK Cells (t-haNKs) with PD-L1 and CD-19 as Tumor Targets

CULVER CITY, Calif.--(BUSINESS WIRE)--Mar. 25, 2019-- [NantKwest](#) (Nasdaq: NK), a leading clinical-stage, natural killer cell based therapeutics company, today announced that Patrick Soon-Shiong, MD, the company's Chairman & CEO, on March 21, 2019, exercised 17,589,250 warrants with an exercise price of \$1.9984 and 1,851,000 options with an exercise price of \$2.1983, representing an aggregate cash exercise price of \$39.2 million.

In commenting on the exercise of the warrants and options, Dr. Soon-Shiong said the following: "Since the launch of NantKwest in 2015, the company has made remarkable progress in the development of a true, 'off-the-shelf' and 'ready-to-use' Natural Killer (NK) cell therapy that could be shipped on an 'as needed basis,' just about anywhere in the world. We have successfully established a truly off-the-shelf, cryopreserved product and are now ready to embark on pivotal trials. This advanced manufacturing capability combined with our ability to develop NK cells with high killing activity provides us with a distinct advantage as the leading company developing an immediately available NK cell therapy for patients with cancer."

Dr. Soon-Shiong continued, "My commitment and confidence in the future success of NantKwest has never been stronger. I firmly believe that the natural killer cell represents the missing link in our war against cancer. I believe that only by orchestrating the activity of the natural killer cell, the innate immune system, as well as the killer T cell, the adaptive immune system, could we achieve long lasting responses to immunotherapy. NantKwest represents this next generation of cell therapy with the potential to achieve activation of the memory T and NK cell, the holy grail of immunotherapy. Contributing an additional \$39.2 million to the financial resources of NantKwest will enable the rapid opening of multiple clinical trial sites for the Phase 2 trial of off-the-shelf activated natural killer cells (haNK cells), combined with an IL-15 cytokine (N-803) which may proliferate NK and T cells, to treat refractory patients suffering from a deadly disease, Merkel Cell Carcinoma. In addition, preclinical data of the world's first targeted off-the-shelf haNK cells (t-haNK) are highly encouraging and we are planning the first in human trials of both PD-L1 t-haNK and CD-19 t-haNK (targeted-haNKs) this year."

Dr. Soon-Shiong provided an update on the haNK and t-haNK programs at his keynote address to the scientific community at "[The Innate Killer Summit](#)" in San Diego on March 20, 2019.

For more information on NantKwest please visit www.NantKwest.com

About NantKwest Inc.

NantKwest, a member of the NantWorks ecosystem of companies, is an innovative clinical-stage immunotherapy company focused on harnessing the power of the innate immune system by using the natural killer cell to treat cancer and virally induced infectious diseases.

NantKwest is uniquely positioned to implement precision cancer medicine, with the potential to change the current paradigm of cancer care. Natural Killer (NK) cells are a safeguard in the human body designed to recognize and detect cells under stress due to cancer or viral infection. NantKwest's "off-the-shelf" activated NK cell platform is designed to destroy cancer and virally infected cells from the body. The safety of our NK cells as well as their activity against a broad range of cancers have been tested in phase I clinical trials in Canada and Europe as well as in multiple phase I and II clinical trials in the United States. In addition to being a universal cell-based therapy that does not require individualized patient sourcing or matching, our NK cell products have been largely administered in the outpatient setting as an "off-the-shelf" living drug.

With the capacity to grow active killer cells as a living cancer therapy, our NK cells have been designed to induce cell death against cancers and virally infected cells by several mechanisms, including: (i) innate killing, whereby all of our NK platforms recognize the stress proteins typically found on cancer cells, which, upon binding, release toxic granules to immediately kill their targets; (ii) antibody-mediated killing with our haNK® platform, which are NK cells engineered to express antibody receptors that can bind to therapeutic antibody products, thereby enhancing the cancer cell killing effect of that antibody; and (iii) Chimeric Antigen Receptor directed killing using the taNK® platform, which includes NK cells engineered to incorporate chimeric antigen receptors (CARs) to target tumor-specific antigens found on the surface of cancer cells. All three modes of killing (innate, antibody-mediated, and CAR directed killing) are employed by our t-haNK™ platform, which is an innovative combination of our aNK, haNK® and taNK® platforms in a single product.

Our haNK®, and t-haNK™ platforms have been designed to address certain limitations of CAR T-cell therapy including the capability to infuse cell therapy in an outpatient setting which allows for potential reduction of risk for serious cytokine storms and protracted serious adverse events. In Phase I and II clinical trials in patients with late stage cancer, our NK cells have been administered as an investigational outpatient infusion safely with greater than 300 infusions to date at a dose of 2 billion cells per infusion.

By leveraging an integrated and extensive genomics and transcriptomics discovery and development engine, together with a pipeline of multiple, clinical-stage, immuno-oncology programs, we believe NantKwest is uniquely positioned to be the premier immunotherapy company and transform medicine by delivering living drugs in a bag and bringing novel NK cell-based therapies to routine clinical care.

NK-92, aNK, haNK, taNK, and t-haNK are trademarks of NantKwest, Inc.

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 include statements concerning or implying the Company will be successful in improving the treatment of cancer. Risks and uncertainties related to this endeavor include, but are not limited to, obtaining FDA approval of our NK cells as well as other therapeutics as part of the NANT Cancer Vaccine platform as a cancer treatment.

Forward-looking statements are based on management's current expectations and are subject to various risks and uncertainties that could cause actual results to differ materially and adversely from those expressed or implied by such forward-looking statements. Accordingly, these forward-looking statements do not constitute guarantees of future performance, and you are cautioned not to place undue reliance on these forward-looking statements.

These and other risks regarding our business are described in detail in our Securities and Exchange Commission filings, including in our Annual Report on Form 10-K for the year ended December 31, 2018. These forward-looking statements speak only as of the date hereof, and we disclaim any obligation to update these statements except as may be required by law.



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Source: NantKwest

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