

Dealdoc**Collaborative R&D agreement for asthma and COPD drug discovery platforms**

GSK

Five Prime Therapeutics

Apr 17 2012

Collaborative R&D agreement for asthma and COPD drug discovery platforms

Companies:	GSK Five Prime Therapeutics
Announcement date:	Apr 17 2012
Deal value, US\$m:	223.5 : sum of upfront, milestone and option payments

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Details

Announcement date:	Apr 17 2012
Industry sectors:	Bigpharma Pharmaceutical
Therapy areas:	Respiratory » Asthma Respiratory » Chronic obstructive pulmonary disease
Technology types:	Discovery tools Enabling technology Research services
Deal components:	Collaborative R&D Licensing
Stages of development:	Discovery

Financials

Deal value, US\$m:	223.5 : sum of upfront, milestone and option payments
Upfront, US\$m:	30 : upfront fee
Milestones, US\$m:	193.5 : milestone and option payments
Royalty rates, %:	n/d : tiered on net sales
Funding, US\$m:	2 : research funding

Termsheet

24 October 2014

Five Prime Therapeutics will be expanding its respiratory disease research collaboration with GlaxoSmithKline, which was originally created in 2012.

The expanded deal will have Five Prime Therapeutics receive \$2 million in research funding, and it has already received \$500,000 of this sum.

If GlaxoSmithKline decides to license a target discovered by Five Prime during the collaboration, the company will also be able to receive up to \$193 million in option exercise fees and milestone payments.

The goal of the collaboration is to identify new mechanisms for the treatment of refractory asthma and chronic obstructive pulmonary disease.

It was increased in April of this year to include two respiratory disease discovery programs for a six-month evaluation period.

GlaxoSmithKline has now committed to these two discovery programs for an additional 18 months.

17 April 2012 Five Prime Therapeutics announced that it has entered into its second strategic drug discovery alliance with GlaxoSmithKline GSK +0.61% within two years.

This new collaboration gives GSK exclusive access to FivePrime's drug discovery platforms in up to six programs to identify first-in-class agents and new mechanisms relevant to refractory asthma and chronic obstructive pulmonary disease (COPD).

Under the terms of the agreement, GSK will receive access to FivePrime's comprehensive, proprietary collection of functional human secreted proteins and transmembrane receptor proteins and FivePrime will apply its technology platforms to identify and validate potential drug targets and drug candidates.

GSK has an option to exclusively license selected targets discovered by FivePrime in the collaboration.

For a majority of licensed targets, GSK would take on sole responsibility for additional preclinical studies, clinical development, manufacturing and worldwide commercialization of products.

For a limited number of GSK-licensed targets, FivePrime would have the opportunity to advance biologic products through human proof-of-mechanism clinical studies, after which GSK would have an exclusive option to exclusively license global rights for such products in exchange for enhanced financial payments to FivePrime.

FivePrime would be eligible to receive up to \$30 million over the next four years from an upfront fee, the purchase of FivePrime equity by GSK, research funding, and option payments related to the research program.

In addition, in the event that GSK licenses a candidate after FivePrime has developed such candidate through the proof-of-mechanism stage, FivePrime would be eligible for up to \$193.5 million in potential option exercise fees and milestone payments, as well as tiered royalties on global net sales for each product resulting from a selected drug target.

Press Release

24 October 2014

Five Prime Therapeutics, Inc. (FPRX) Snags An Expanded Deal Worth \$196.3 Million With GlaxoSmithKline (GSK)

California-based Five Prime Therapeutics, Inc. (FPRX) announced on Oct. 23 that it will be expanding its respiratory disease research collaboration with GlaxoSmithKline (GSK), which was originally created in 2012.

The expanded deal will have Five Prime Therapeutics receive \$2 million in research funding, and it has already received \$500,000 of this sum. If GlaxoSmithKline decides to license a target discovered by Five Prime during the collaboration, the company will also be able to receive up to \$193 million in option exercise fees and milestone payments.

The goal of the collaboration is to identify new mechanisms for the treatment of refractory asthma and chronic obstructive pulmonary disease. It was increased in April of this year to include two respiratory disease discovery programs for a six-month evaluation period. GlaxoSmithKline has now committed to these two discovery programs for an additional 18 months.

"GSK's decision to expand our collaboration speaks to the strength and versatility of our protein discovery platform to identify novel targets in a wide range of major respiratory diseases," said Aron Knickerbocker, senior vice president and chief business officer of Five Prime. "GSK is the leader in the discovery, development and commercialization of drugs for respiratory diseases and thus they are an ideal partner to have in this area of research."

Five Prime Therapeutics is dedicated to develops therapeutics using extracellular proteins as a way to explore pathways in cancer. Five Prime has entered into strategic collaborations with leading global pharmaceutical companies and has multiple product candidates in clinical and late preclinical development.

"We are pleased to expand this highly collaborative research alliance with Five Prime to discover novel targets that have the potential to result in new medicines for the treatment of respiratory disease," said Edith Hessel, vice president and head of the Refractory Respiratory Inflammation Discovery Performance Unit at GlaxoSmithKline. "We are hopeful these discoveries will lead to innovative new therapies that will benefit patients with uncontrolled respiratory disease."

GlaxoSmithKline has more than 99,000 employees across 115 countries. The company is develops vaccines, medicines and consumer healthcare products.

17 April 2012

FivePrime Therapeutics, Inc. Inks Second Strategic Alliance With GlaxoSmithKline (GSK) in Deal Worth \$223.5 Million

SOUTH SAN FRANCISCO, Calif., Apr 17, 2012 (GlobeNewswire via COMTEX) -- Five Prime Therapeutics, Inc. (FivePrime), a leader in the discovery and development of innovative biologics, announced today that it has entered into its second strategic drug discovery alliance with GlaxoSmithKline GSK +0.61% within two years. This new collaboration gives GSK exclusive access to FivePrime's drug discovery platforms in up to six programs to identify first-in-class agents and new mechanisms relevant to refractory asthma and chronic obstructive pulmonary disease (COPD).

Under the terms of the agreement, GSK will receive access to FivePrime's comprehensive, proprietary collection of functional human secreted proteins and transmembrane receptor proteins and FivePrime will apply its technology platforms to identify and validate potential drug targets and drug candidates. GSK has an option to exclusively license selected targets discovered by FivePrime in the collaboration. For a majority of licensed targets, GSK would take on sole responsibility for additional preclinical studies, clinical development, manufacturing and worldwide commercialization of products. For a limited number of GSK-licensed targets, FivePrime would have the opportunity to advance biologic products through human proof-of-mechanism clinical studies, after which GSK would have an exclusive option to exclusively license global rights for such products in exchange for enhanced financial payments to FivePrime.

FivePrime would be eligible to receive up to \$30 million over the next four years from an upfront fee, the purchase of FivePrime equity by GSK, research funding, and option payments related to the research program. In addition, in the event that GSK licenses a candidate after FivePrime has developed such candidate through the proof-of-mechanism stage, FivePrime would be eligible for up to \$193.5 million in potential option exercise fees and milestone payments, as well as tiered royalties on global net sales for each product resulting from a selected drug target.

"We are delighted to form this second strategic alliance with GSK to find first-in-class drugs and drug targets for treatment-refractory respiratory diseases, which is a core area for FivePrime. GSK is a leader in the research and development of respiratory products and brings tremendous expertise to the collaboration. Our existing GSK alliance to discover products for skeletal muscle disorders, which was recently expanded last year, is making great progress, so we are extremely pleased to enter into this additional collaboration." said Lewis T. "Rusty" Williams, MD, PhD, Founder, President and CEO of FivePrime.

About FivePrime

Five Prime Therapeutics, Inc. is a clinical-stage, privately held, biotechnology company with a strong pipeline of antibodies and ligand traps for cancer, autoimmunity and respiratory diseases. FivePrime has differentiated discovery capabilities built on its comprehensive library of secreted and extracellular human proteins, which it leverages in cell-based assays, in vivo models and receptor-ligand matching screens to identify medically relevant new targets and therapeutic proteins. FivePrime has entered into a collaboration agreement to develop and commercialize its lead product, FP-1039 (HGS1036), with Human Genome Sciences, Inc. in the United States, Canada and the EU. FivePrime has also established significant collaborations for the discovery of innovative biologics in specific therapeutic areas with several leading pharmaceutical companies, including Pfizer and Centocor. For more information about FivePrime, please visit FivePrime's web site at www.fiveprime.com.

Filing Data

In April 2012, we entered into a research collaboration and license agreement, or the respiratory diseases collaboration, with Glaxo Group Limited, or GSK, to identify new therapeutic approaches to treat refractory asthma and chronic obstructive pulmonary disease, or COPD, with a particular focus on identifying novel protein therapeutics and antibody targets. In January 2016, we amended our respiratory diseases collaboration to extend the research term by three months to July 2016 to allow additional validation of the protein targets we discovered and to increase the research funding. In July 2010, we entered into a research collaboration and license agreement, or the muscle diseases collaboration, with GlaxoSmithKline LLC, to identify potential drug targets and drug candidates to treat skeletal muscle diseases. We conducted three customized cell-based screens and one in vivo screen of our protein libraries under the muscle diseases collaboration. The research term under the muscle diseases collaboration ended in May 2014 and the agreement terminated in April 2018.

Based on our assessment of the respiratory diseases collaboration and the muscle diseases collaboration under Topic 606, we identified one performance obligation under each collaboration for the research license and research activities. The non-refundable upfront fees, the equity premiums and the variable consideration for research activities are included as part of the transaction prices for each collaboration. The clinical and regulatory development milestone payments have not been included in the transaction prices, as all such milestone amounts are fully constrained. We will recognize any consideration related to sales-based payments (including milestones and royalties) when the related sales occur, as we have determined that these amounts relate predominantly to the license granted and therefore will be recognized on the later to occur of satisfaction of the performance obligation, or the occurrence of the related sales. Under the respiratory diseases collaboration, additional research funding that GSK had the option to add was also not included in the transaction price. As the muscle diseases collaboration with GlaxoSmithKline LLC terminated in April 2018, we are no longer eligible to receive milestone payments or royalties under that collaboration. We will re-evaluate the transaction price for the respiratory diseases collaboration in each reporting period as uncertain events are resolved and other changes in circumstances occur. For year ended December 31, 2019, no adjustments were made to the transaction prices of the collaborations with GSK or GlaxoSmithKline LLC.

Under the respiratory diseases collaboration and the muscle diseases collaboration, the non-refundable upfront fees, the equity premiums and the payment for research activities were fully recognized in 2016 and 2014, respectively. As the performance obligations were fully satisfied in prior years, no adjustment to revenue was necessary under Topic 606.

For the years ended December 31, 2019 and 2018 , we recognized no milestone revenue, and for the year ended December 31, 2017, we recognized \$0.5 million. No revenue was recognized for progress made toward the performance obligation for years ended December 31, 2019, 2018 and 2017 under the respiratory diseases collaboration.

Contract

Not available.