

Baxalta and Precision BioSciences form Global Genome Editing Collaboration in Immuno–Oncology

- **Baxalta and Precision BioSciences to utilize proprietary ARCUS genome editing technology to develop an allogeneic CAR T cell therapeutic pipeline**
- **Precision BioSciences to receive \$105 million upfront, in addition to potential future milestone payments and royalties**

BANNOCKBURN, Ill. and DURHAM, N.C., Feb 25, 2016 – Baxalta Incorporated (NYSE: BXLT), a global biopharmaceutical leader dedicated to delivering transformative therapies to patients with orphan diseases and underserved conditions, and Precision BioSciences, the genome editing company, today announced a global collaboration to develop a broad series of allogeneic chimeric antigen receptor (CAR) T cell therapies directed towards areas of major unmet need in multiple cancers.

CAR T is widely recognized as a breakthrough technology with the potential to become a curative option for certain malignancies. Most CAR T cell therapy technologies isolate cells from cancer patients' blood and re-engineer them to specifically target receptors on tumor cells. The reprogrammed cells are multiplied in a laboratory and then returned to the patient to target the tumor. This approach has had initial success in clinical trials for certain tumor types, but persistent scaling challenges remain based on the highly personalized nature of the therapy. Precision BioSciences' proprietary ARCUS genome editing technology enables the production of CAR T cells derived from healthy donors rather than relying on the patient. This approach aims to overcome the manufacturing-related limitations with existing CAR T therapies and enable a broader range of malignancies to be targeted.

“Collaborating with Precision BioSciences enables Baxalta to accelerate innovation in immuno–oncology with a next-generation, donor-derived CAR T strategy using a proprietary combination of genome editing expertise and technology,” said David Meek, executive vice president and president, Oncology, Baxalta. “Combining Precision BioSciences' ARCUS technology with Baxalta's global infrastructure, expertise and growing immuno–oncology portfolio is a synergistic approach that we

believe has the potential to make disruptive approaches available to people with a range of underserved cancers.”

“Baxalta is an ideal partner in CAR T for Precision and our ARCUS genome editing platform because of their global reach, collaborative business model, and long-term commitment to succeeding in immuno-oncology,” said Matthew Kane, CEO of Precision BioSciences. “We look forward to working closely with the team at Baxalta to develop novel CAR T therapeutics that could transform the treatment of cancer.”

Under the terms of the agreement, Baxalta and Precision BioSciences will develop CAR T therapies for up to six unique targets, with the first program expected to enter clinical studies in late 2017. Precision BioSciences will be responsible for performing early-stage research activities up to Phase 2, following which Baxalta has the exclusive right to opt in for late-stage development and commercialization. Precision BioSciences will receive an upfront payment of \$105 million from Baxalta, with additional option fees, developmental, clinical, regulatory, and sales milestones, potentially totaling up to \$1.6 billion, in addition to royalties on worldwide sales. Precision also has the right to participate in the development and commercialization of any licensed products resulting from the collaboration through a 50/50 co-development and co-promotion option in the United States. Additional terms and initial targets were not disclosed.

The agreement follows another recently established Baxalta collaboration to advance novel therapeutics against checkpoint targets, advancing the company’s strategic commitment to investing in immuno-oncology and building an innovative portfolio of cancer immunotherapies.

About Baxalta

Baxalta Incorporated (NYSE: BXL) is a \$6 billion global biopharmaceutical leader developing, manufacturing and commercializing therapies for orphan diseases and underserved conditions in hematology, oncology and immunology. Driven by passion to make a meaningful impact on patients’ lives, Baxalta’s broad and diverse pipeline includes biologics with novel mechanisms and advanced technology platforms such as gene therapy. The Baxalta Global Innovation and R&D Center is located in Cambridge, Massachusetts. Launched in 2015 following separation from Baxter International Inc, Baxalta’s heritage in biopharmaceuticals spans decades. Baxalta’s therapies are available in more than 100 countries and it has advanced biological manufacturing operations across 12 facilities, including state-of-the-art recombinant production and plasma fractionation. Headquartered in Northern Illinois, Baxalta employs 16,000 employees worldwide.

About Precision BioSciences

Precision BioSciences, the genome editing company, is dedicated to improving life. Our team seeks to solve significant problems in oncology, genetic disease, agriculture, and beyond via its ARCUS genome editing platform. ARCUS is Precision's proprietary, nuclease-based genome editing platform which now encompasses an industry leading combination of site specificity, ease of delivery, and breadth of editing capabilities. For additional information, please visit www.precisionbiosciences.com.

Forward-Looking Statements

This release includes forward-looking statements concerning a collaboration between Baxalta Incorporated and Precision BioSciences, including expectations with regard to potential impact of the CAR T technology to patients, future clinical studies and commercial launches, as well as the potential financial impact of the arrangements. Such statements are made of the date that they were first issued and are based on current expectations, beliefs and assumptions of management. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond Baxalta's control and which could cause actual results to differ materially from those in the forward-looking statements, including the following: clinical trial results; satisfaction of regulatory and other requirements; actions of regulatory bodies and other governmental authorities; changes in laws and regulations; product quality, manufacturing or supply issues; patient safety issues; and other risks identified in Baxalta's filings with the Securities and Exchange Commission, all of which are available on Baxalta's website. Baxalta expressly disclaims any intent or obligation to update these forward-looking statements except as required by law.

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