



**F-star announces formation of new asset-centric vehicle, F-star Alpha Ltd,
with €9.4m Series A investment**

F-star Alpha to license oncology and immune-oncology product portfolio from F-star

Cambridge, UK, 23 October 2013. F-star, an oncology-focused biopharmaceutical company, today announced the formation of F-star Alpha Ltd., an independent company which has been granted exclusive licences to a range of oncology assets from F-star Biotechnology Ltd.

Under the terms of the licence agreement, F-star Alpha receives an exclusive licence to FS102, an Fcab™ antibody fragment, which eliminates HER2-positive cancer cells through a novel apoptotic mechanism of action. Furthermore, a genetic predictive biomarker has been identified, which allows selection of patients likely to respond to therapy. FS102 is now progressing to clinical testing in breast, gastric and colorectal cancer.

In addition, F-star Alpha receives a licence for the generation of Fcabs or bispecific antibodies (mAb^{2™}) against up to 22 other oncology and immuno-oncology targets. In return, F-star will receive a combination of milestone payments and tiered royalties.

F-star Alpha is funded through a Series A investment of €9.4m from Atlas Venture, Aescap Venture, TVM Capital, SR One, MP Healthcare Venture Management, and MS Ventures. This investment enables the company to carry out IND-enabling studies with FS102. In addition the investment will fund the discovery of novel immuno-oncology therapies aimed at activating the patient's immune system against cancer.

"We are very pleased to announce the creation and funding of F-star Alpha, the first asset-centric vehicle, which exclusively comprises key assets of the F-star family", said John Haurum, CEO of F-star. "The F-star technology platform has fully matured and enables the development of a large number of novel therapeutic products for the benefit of patients. This new company structure will accelerate the development of an exciting pipeline of cancer therapeutics, while creating greater commercial and financial flexibility for F-star, the investors, and future partners".

For further information please contact:

F-star

John Haurum
Chief Executive Officer
+ 44 7881 244 040
john.haurum@f-star.com

Jane Dancer
Chief Operating Officer
+ 44 7739 174 297
jane.dancer@f-star.com

80th Atom
Adam Michael

+44 1223 511 338
+44 777 588 1813
Adam@80thAtom.com

Notes to Editors:

About F-star

F-star is a biopharmaceutical company dedicated to developing novel bispecific antibody products that provide a significant improvement over the current standard of care. Given its strong patent position, it is the only biopharmaceutical company with the ability to create and develop Fcab™ antibody fragments, and bispecific antibodies, by modifying the constant region of an antibody. In particular, F-star's Modular Antibody Technology™ enables rapid discovery and development of bispecific antibodies by introducing additional binding sites to the constant region of an antibody and offers unprecedented ease in the development and manufacturing of bispecific monoclonal antibodies. Using the Modular Antibody Technology™, F-star generates bispecific antibodies (mAb²™) that possess the favourable characteristics of traditional monoclonal antibodies, without the production challenges often associated with other antibody formats. F-star is now applying its proprietary technology to the development of a pipeline of product candidates.

Since its founding in 2006 the company has secured funding and support from leading VC investors: Aescap Venture, Atlas Venture, Novo Ventures and TVM Capital; as well as from renowned strategic corporate investors: Merck Serono Ventures, MP Healthcare Venture Management and SR One. The company has major alliances with Boehringer Ingelheim and Merck Serono, each covering multiple targets. In 2011, F-star was selected by the industry newsletter FierceBiotech as one of the Fierce 15 winners, designating it as one of the most promising private biotechnology companies in the industry. F-star currently employs over 30 people at its research site in Cambridge, UK.

About FS102

FS102 is an Fcab which eliminates HER2-positive cancer cells through a novel mechanism of action in a defined patient population. FS102, works differently than current HER2-targeted therapies, and has potential to overcome resistance to these drugs. It binds to a discrete site on the HER2 molecule and induces HER2-positive tumour cells to undergo programmed cell death. In preclinical studies, FS102 shows remarkable efficacy at fighting HER2-positive cancer cells, including the complete elimination of tumours. F-star has also identified a well-defined biomarker, which would allow selection of patients that are likely to respond to therapy. FS102 is advancing toward clinical testing in breast, gastric, and colorectal cancer.

Full preclinical data on FS102 is being presented at the AACR-NCI-EORTC International Conference on Molecular Targets and Cancer Therapeutics in Boston, 21st October 2013.

For more information visit www.f-star.com