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# Peregrine Licenses Novel Exosome-Based Cancer Detection and Monitoring Technology from UT Southwestern Medical Center

*--New Technology Efficiently Builds on the Company's Existing Phosphatidylserine (PS) Targeting Platform and Assay Development Capabilities--*

*--Stand Alone Program That Offers Significant Value Creation Potential and Early Partnering Opportunities--*

*--New Technology to Also be Evaluated in Conjunction with Ongoing Bavituximab Clinical Development Program--*

TUSTIN, Calif., July 14, 2016 (GLOBE NEWSWIRE) -- Peregrine Pharmaceuticals, Inc. (NASDAQ:PPHM) (NASDAQ:PPHMP), a biopharmaceutical company committed to improving patient lives by delivering high quality biological products through its contract development and manufacturing organization (CDMO) services and by advancing its novel R&D pipeline, today announced that the company has entered into an exclusive licensing agreement with University of Texas (UT) Southwestern Medical Center for a novel exosome technology that has potential application as a simple blood test to detect or monitor cancer. The company intends to develop a novel cancer test utilizing internal expertise and then pursue revenue-generating partnering opportunities at an early stage of development.

Tumor exosomes represent small pieces of tumor cells that are released into the blood as tumors grow. Tumor derived exosomes have phosphatidylserine (PS) on their surface as a detectable marker. It is believed that even small tumors begin to release PS-positive exosomes and thus the ability to detect these exosomes in the blood may be an indicator of the presence of a tumor.

The licensing agreement is the result of the long-standing sponsored research agreement between Peregrine and UT Southwestern focused on PS, a highly immunosuppressive signaling molecule. The new technology licensed by Peregrine relates to assays that are able to detect small amounts of PS-exosomes in a patient blood sample as a way to potentially detect cancer at a very early stage of development. Preliminary studies have demonstrated that the levels of PS-positive exosomes present in the blood of cancer patients are higher than levels found in the blood of healthy volunteers. Furthermore, study findings also suggest that there is a correlation between the level of PS-positive exosomes detected in the blood of cancer patients and disease burden.

"We are excited to enter into this licensing agreement with our long-term collaborators at UT Southwestern. This technology offers a promising product development opportunity and aligns directly with the company's expertise with our proprietary PS-targeting platform and our longstanding CDMO capabilities around the development, qualification, and validation of *in vitro* analytical assays. As such, there are significant opportunities to use this technology as both a complementary tool in bavituximab's ongoing development, as well as more broadly as the basis for novel cancer detection and monitoring tests that can be the focus of partnering efforts," said Jeff T. Hutchins, Ph.D., Peregrine's vice president, preclinical research. "It is important to note that this development program will require minimal capital investment and has the potential to create significant value over the next 18 months, including potential partnering opportunities. As a result, we feel that today's licensing deal provides yet another important driver in our ongoing efforts to achieve profitability."

Together, the Peregrine and Avid Bioservices teams have the existing infrastructure, staff and expertise to develop, optimize and validate a functional assay capable of detecting PS-positive exosomes from a blood sample. Given the company's extensive experience in developing assays of this type, Peregrine does not anticipate the need to add personnel or any specialized equipment for this project. The company intends to establish clinical proof-of-concept for the test and expects to initiate partnering discussions for the program in 2017.

"One of the most exciting aspects of this technology is the potential synergy that it offers with our ongoing bavituximab clinical development program. Through our ongoing work with bavituximab, we have gained significant understanding of PS-mediated immunosuppression in cancer," said Joseph Shan, MPH, vice president, clinical and regulatory affairs of Peregrine. "The availability of a PS-specific biomarker which can be implemented in our planned future bavituximab clinical trials aligns nicely with our refocused bavituximab development strategy aimed at generating the most meaningful data possible from small, early stage clinical trials to support partnering efforts."

**About Peregrine Pharmaceuticals, Inc.**

Peregrine Pharmaceuticals, Inc. is a biopharmaceutical company committed to improving the lives of patients by delivering high quality pharmaceutical products through its contract development and manufacturing organization (CDMO) services and through advancing and licensing its investigational immunotherapy and related products. Peregrine's in-house CDMO services, including cGMP manufacturing and development capabilities, are provided through its wholly-owned subsidiary Avid Bioservices, Inc. (www.avidbio.com), which provides development and biomanufacturing services for both Peregrine and third-party customers. The company is also working to evaluate its lead immunotherapy candidate, bavituximab, in combination with immune stimulating therapies for the treatment of various cancers, and developing its proprietary exosome technology for the detection and monitoring of cancer. For more information, please visit www.peregrineinc.com.

**Safe Harbor Statement:** *Statements in this press release which are not purely historical, including statements regarding Peregrine Pharmaceuticals' intentions, hopes, beliefs, expectations, representations, projections, plans or predictions of the future are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The forward-looking statements involve risks and uncertainties including, but not limited to, the risk that the company may not develop, or may experience delays in developing, a commercializable and/or regulatory approvable test derived from the licensed technology, the risk that the company experiences difficulties in developing a test that is able to distinguish between PS-positive exosomes from blood samples of cancer patients and PS-positive exosomes from patients with other diseases or illnesses that express PS-positive exosomes, the risk that the Company is unable to generate partnering interest in the cancer test, and the risk that the company is unable to secure patent protection or other intellectual property protection for the cancer test based on the licensed technology. The company's actual results could differ materially from those in any such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, uncertainties associated with completing preclinical and clinical trials for our technologies; the early stage of product development; the significant costs to develop our products as all of our products are currently in development, preclinical studies or clinical trials; obtaining additional financing to support our operations and the development of our products; obtaining regulatory approval for our technologies; anticipated timing of regulatory filings and the potential success in gaining regulatory approval and complying with governmental regulations applicable to our business. Our business could be affected by a number of other factors, including the risk factors listed from time to time in our reports filed with the Securities and Exchange Commission including, but not limited to, our annual report on Form 10-K for the fiscal year ended April 30, 2015 as well as any updates to these risk factors filed from time to time in the company's other filings with the Securities and Exchange Commission. The company cautions investors not to place undue reliance on the forward-looking statements contained in this press release. Peregrine Pharmaceuticals, Inc. disclaims any obligation, and does not undertake to update or revise any forward-looking statements in this press release.*

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