

Bayer and Atara Biotherapeutics Enter Strategic Collaboration for Mesothelin-Targeted CAR T-cell Therapies for Solid Tumors

- Agreement is fundamental element of Bayer's new Cell & Gene Therapy strategy
- Bayer to enter CAR T-cell therapy space and expand oncology development pipeline with groundbreaking technology
- Recognizes the leading position of Atara's technology platform in allogeneic cell therapy
- Collaboration will focus on off-the-shelf T-cell immunotherapy ATA3271 for high mesothelin-expressing tumors
- Atara to receive upfront payment of USD 60 million, and up to a total of USD 610 million for development, regulatory and commercialization milestones, plus tiered royalties up to low double-digit percentage of net sales
- Atara to Host Conference Call on Monday, December 7 at 8:30 a.m. ET

WHIPPANY, N.J. & SOUTH SAN FRANCISCO, Calif.--(BUSINESS WIRE)-- Bayer and Atara Biotherapeutics, Inc. (Nasdaq: ATRA) today announced an exclusive worldwide license agreement and research, development and manufacturing collaboration for mesothelin-directed CAR T-cell therapies for the treatment of solid tumors. The agreement includes the development candidate ATA3271, an armored allogeneic T-cell immunotherapy, and an autologous version, ATA2271, for high mesothelin-expressing tumors such as malignant pleural mesothelioma and non-small-cell lung cancer.

Atara is a pioneer in allogeneic T-cell immunotherapy with industry-leading allogeneic cell manufacturing processes and CAR T technologies. The licensed technology leverages Atara's novel, proprietary Epstein-Barr Virus (EBV) T-cell platform combined with CAR T technologies targeting mesothelin to improve efficacy, persistence, safety, and durability of response.

"This transaction is a fundamental element of Bayer's new Cell & Gene Therapy strategy. It strengthens our development portfolio through allogeneic cell therapies and consolidates our emerging leadership in the field," said Wolfram Carius, Head of Bayer's Cell & Gene Therapy Unit. "We look forward to collaborating with Atara to develop off-the-shelf CAR T-cell therapies for patients with difficult-to-treat cancers."

"This exciting collaboration between Atara and Bayer will accelerate the development of mesothelin-targeted CAR T-cell therapies for multiple solid tumors and helps us advance the power of our allogeneic cell therapy platform to patients as quickly as possible," said Pascal Touchon, President and CEO Atara. "Bayer's proven track record in oncology global development and commercialization, and growing presence in cell and gene therapy, enhances Atara's capabilities and complements our leading allogeneic T-cell platform."

Under the terms of the agreement, Atara will lead IND (Investigational New Drug)-enabling studies and process development for ATA3271 while Bayer will be responsible for submitting the IND and subsequent clinical development and commercialization. Atara will continue to be responsible for the ongoing ATA2271 phase 1 study, for which an IND filing has been accepted and the clinical trial has been initiated. Atara will receive an upfront payment of USD 60 million and is eligible to receive payments from Bayer upon achievement of certain development, regulatory and commercialization milestones totaling USD 610 million, as well as tiered royalties up to low double-digit percentage of net sales.

As part of the transaction, Atara will also provide translational and clinical manufacturing services to be reimbursed by Bayer. In addition, for a limited period of time, Bayer has a non-exclusive right to negotiate a license for additional Atara CAR T product candidates.

Atara Conference Call and Webcast Information

Atara will hold a conference call at 8:30 a.m. ET. Analysts and investors can participate in the conference call by dialing (888) 540-6216 for domestic callers and (734) 385-2715 for international callers, using the conference ID 3995182.

A live audio webcast can be accessed by visiting the [Investors & Media – News & Events](#) section of [atarabio.com](#). An archived replay will be available on the Company's website for 30 days following the live webcast.

About CAR-T cell therapy

T cells are a type of white blood cell that are critical in eliminating the body of abnormal and cancerous cells in healthy individuals. In cancer patients, these T cells frequently fail to either recognize or effectively engage cancer cells. CAR T-cell therapies involve engineering a human T cell to express a chimeric antigen receptor (CAR) that increases its ability to recognize cancer cells. These therapies use the immune system to fight cancer and have the potential to disrupt cancer care and potentially even provide a cure. Mesothelin is a tumor-specific antigen that is commonly expressed at high levels on the cell surface in many aggressive solid tumors and is an attractive target for immune-based therapies, including CAR T therapy.

About Bayer's new Cell & Gene Therapy (C>) Unit

In order to build up its presence in C>, Bayer is strengthening its internal C> capabilities. At the same time, the company is pursuing external strategic collaborations, technology acquisitions and licensing. The goal is to build robust platforms with broad application across different therapeutic areas. Strategically, Bayer focuses on selected areas of C>, such as stem cell therapies (with focus on induced pluripotent cells or iPSCs), gene augmentation, gene editing and allogeneic cell therapies in different indications. Leveraging external innovation together with the expertise of the teams at Bayer represents a key value-driver, especially in the highly dynamic and competitive field of C>. Bayer's operating model for C>, where partners operate autonomously and are fully accountable to develop and progress their portfolio and technology, is essential for preserving their entrepreneurial culture and positions Bayer as a partner of choice. The role of Bayer's C> Platform is to steer strategically, ensuring the different parts of the organization complement each other and combining the best in Biotech and Pharma know-how. As part of the

Pharmaceuticals Division, the C> Platform will combine multiple backbone functions providing support across the entire value chain for the research and development of cell and gene therapies. This includes expertise in Research and Preclinical Development, CMC (Chemistry, Manufacturing and Controls), Clinical Development, Commercial, Strategy Implementation and Project Management. With a high level of flexibility, it will orchestrate operations from science to launch in order to generate and maintain a sustainable pipeline, with the goal to bring new products to market as fast as possible.

About Atara's Mesothelin CAR-T Franchise

Two of Atara's investigational CAR T immunotherapy programs, developed in collaboration with Memorial Sloan Kettering Cancer Center (MSK), target mesothelin—the autologous ATA2271 program and allogeneic ATA3271 program. Mesothelin is a tumor-specific antigen that is commonly expressed at high levels on the cell surface in many aggressive solid tumors including mesothelioma, non-small cell lung cancer, ovarian cancer and pancreatic cancer.

Both ATA2271 and ATA3271 are engineered for use in solid tumors as they incorporate Atara's novel inclusion of both a PD-1 DNR construct to overcome checkpoint inhibition and a 1XX costimulatory domain on the CAR (chimeric antigen receptor) to enhance expansion and functional persistence of the CAR T cells. ATA3271, the allogeneic version of this CAR T, leverages Atara's EBV T-cell platform and is currently in IND-enabling studies. ATA2271, the autologous version has enrolled the first patient in an open-label, single-arm Phase 1 clinical study in November 2020.

About Bayer

Bayer is a global enterprise with core competencies in the life science fields of health care and nutrition. Its products and services are designed to benefit people by supporting efforts to overcome the major challenges presented by a growing and aging global population. At the same time, the Group aims to increase its earning power and create value through innovation and growth. Bayer is committed to the principles of sustainable development, and the Bayer brand stands for trust, reliability and quality throughout the world. In fiscal 2019, the Group employed around 104,000 people and had sales of 43.5 billion euros. Capital expenditures amounted to 2.9 billion euros, R&D expenses to 5.3 billion euros. For more information, go to www.bayer.com

About Atara

Atara Biotherapeutics, Inc. is a pioneer in T-cell immunotherapy leveraging its novel allogeneic EBV T-cell platform to develop transformative therapies for patients with serious diseases including solid tumors, hematologic cancers and autoimmune disease. With our lead program in Phase 3 clinical development, Atara is the most advanced allogeneic T-cell immunotherapy company and intends to rapidly deliver off-the-shelf treatments to patients with high unmet medical need. Our platform leverages the unique biology of EBV T cells and has the capability to treat a wide range of EBV-associated diseases, or other serious diseases through incorporation of engineered CARs (chimeric antigen receptors) or TCRs (T-cell receptors). Atara is applying this one platform to create a robust pipeline including: tab-cel® (tabelecleucel) in Phase 3 development for Epstein-Barr virus-driven post-transplant lymphoproliferative disease (EBV+ PTLD); ATA188, a T-cell immunotherapy

targeting EBV antigens as a potential treatment for multiple sclerosis; and multiple chimeric antigen receptor T-cell (CAR T) immunotherapies for both solid tumors and hematologic malignancies. Improving patients' lives is our mission and we will never stop working to bring transformative therapies to those in need. Atara is headquartered in South San Francisco and our leading-edge research, development and manufacturing facility is based in Thousand Oaks, California.

For additional information about the company, please visit atarabio.com and follow us on Twitter and LinkedIn.

Forward-Looking Statements

This release may contain forward-looking statements based on current assumptions and forecasts made by Bayer management. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those discussed in Bayer's public reports which are available on the Bayer website at www.bayer.com. The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

Forward-Looking Statements

This press release contains or may imply "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. For example, forward-looking statements include statements regarding: the development, timing and progress of ATA2271 or ATA3271, the potential characteristics and benefits of ATA2271 or ATA3271, and the progress and results of, and prospects for, any collaboration involving ATA2271 or ATA3271, including the potential financial benefits to Atara thereof. Because such statements deal with future events and are based on Atara's current expectations, they are subject to various risks and uncertainties and actual results, performance or achievements of Atara could differ materially from those described in or implied by the statements in this press release. These forward-looking statements are subject to risks and uncertainties, including, without limitation, risks and uncertainties associated with the costly and time-consuming pharmaceutical product development process and the uncertainty of clinical success; the COVID-19 pandemic, which may significantly impact (i) our business, research, clinical development plans and operations, including our operations in South San Francisco and Southern California and at our clinical trial sites, as well as the business or operations of our third-party manufacturer, contract research organizations or other third parties with whom we conduct business, (ii) our ability to access capital, and (iii) the value of our common stock; the sufficiency of Atara's cash resources and need for additional capital; and other risks and uncertainties affecting Atara's and its development programs, including those discussed in Atara's filings with the Securities and Exchange Commission (SEC), including in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Company's most recently filed periodic reports on Form 10-K and Form 10-Q and subsequent filings and in the documents incorporated by reference therein. Except as otherwise required by law, Atara disclaims any intention or obligation to update or revise any forward-looking statements, which speak only as of the date hereof, whether as a result of new information, future events or circumstances or otherwise.

View source version on businesswire.com:

<https://www.businesswire.com/news/home/20201206005066/en/>

Contact Bayer:

Daniel Childs, phone +973 437 0809

Email: daniel.childs@bayer.com

Rose Talarico, phone +973 856 1347

Email: rose.talarico@bayer.com

Find more information at www.pharma.bayer.com

Our online press service is just a click away: media.bayer.com

Follow us on Facebook: <http://www.facebook.com/pharma.bayer>

Follow us on Twitter: <https://twitter.com/bayerpharma>

Contact Atara:

Media

Kerry Beth Daly

Head, Corporate Communications

Atara Biotherapeutics

+1 516-982-9328

kdaly@atarabio.com

Investors

Eric Hyllengren

Vice President, Investor Relations & Finance

Atara Biotherapeutics

805-395-9669

ehyllengren@atarabio.com

Source: Bayer and Atara Biotherapeutics, Inc.