Mersana Therapeutics and Takeda Expand Partnership to Advance Development of Fleximer® Antibody-Drug Conjugates and XMT-1522

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– Takeda obtains rights to Mersana's XMT-1522 outside U.S. and Canada –

– Takeda to create additional Fleximer ADCs; Mersana to have a co-development option –

– Mersana to receive $40 million upfront, $20 million upon IND clearance and up to $20 million in equity investment –

Cambridge, Mass. and Osaka, Japan, February 03, 2016 – Mersana Therapeutics and Takeda Pharmaceutical Company Limited (TSE:4502) today announced that they have entered a new strategic partnership granting Takeda rights to Mersana's lead product candidate, XMT-1522, outside the United States and Canada. The deal also expands an existing collaboration between the companies to provide Takeda with additional access to Mersana's Fleximer® antibody-drug conjugate (ADC) platform and grants Mersana an option at the end of Phase 1 to co-develop and co-commercialize one of these programs in the United States. In addition, the companies will co-develop new payloads for use with ADCs.

XMT-1522 is an investigational, Fleximer-based ADC therapy that targets HER2-expressing tumors, including breast, gastric and non-small cell lung cancers. Preclinical data suggest that XMT-1522 may have anti-tumor activity in patients with HER2 low-expressing cancers as well as in patients with HER2 high-expressing cancers that do not respond to currently available HER2-targeting therapies. Mersana anticipates filing an Investigational New Drug application (IND) for XMT-1522 with the U.S. Food and Drug Administration (FDA) in mid-2016.

"We believe XMT-1522 has the potential to make a dramatic difference for HER2 low-expressing patients who currently have limited treatment options, and are confident that our Fleximer-based technology can address significant patient needs not currently met by other ADC platform technologies," said Anna Protopapas, President and Chief Executive Officer, Mersana. "Takeda's knowledge of oncology and commitment to ADCs as a key therapeutic approach make the company the best partner for us to progress our transformative platform and advance XMT-1522 into the clinic."

Takeda and Mersana will co-develop XMT-1522, and Mersana will lead execution of the Phase 1 trial. Mersana will retain full commercial rights in the United States and Canada while Takeda will have rights in rest of world. Beyond development and commercialization of XMT-1522, the expanded partnership also grants Takeda access to additional targets within Mersana's Fleximer-based ADC platform, with Mersana retaining the right to select one program at the end of Phase 1 for co-development and co-commercialization in the United States. Takeda and Mersana will also work together, leveraging Takeda's proprietary small molecule libraries, to identify and develop novel payloads that both parties will be able to use in new ADC therapies.

"This is our third collaboration with Mersana in less than two years. We see great potential for Mersana's Fleximer technology, combined with our oncology expertise and resources, to extend the benefits of targeted therapy with ADCs to underserved cancer patient populations," said Andrew Plump M.D., Ph.D., Chief Medical and Scientific Officer, Takeda. "We, along with the global oncology community, have made great strides in our fight against cancer, and we know that achieving our aspiration to cure cancer relies on great partnerships and innovation. We look forward to progressing these collaborations and, together, advancing the science of cancer care."

Takeda signed agreements with Mersana through its wholly owned subsidiary, Millennium Pharmaceuticals, Inc., under which, Mersana will receive an upfront payment of $40 million and an additional payment of $20 million upon clearance of the IND for XMT-1522 by the FDA. Subject to the success of the XMT-1522 and ADC programs, Mersana is eligible to receive milestone payments of more than $750 million combined, as well as royalties. Takeda will also invest up to $20 million in equity in future rounds of Mersana financing.

About XMT-1522

XMT-1522 is an investigational, novel HER2-targeting therapy based on Mersana Therapeutics' Fleximer® immunoconjugate technology, and carries approximately 15 proprietary auristatin payload molecules. Preclinical data have demonstrated significant anti-cancer activity in breast, gastric and non-small cell lung cancers, including in HER2 low-expressing tumor models refractory to currently available therapies. Mersana and Takeda are co-developing XMT-1522. Mersana will be responsible for commercialization in the United States and Canada; Takeda will be responsible in rest of world.

About Mersana Therapeutics

Mersana Therapeutics is advancing a proprietary pipeline of targeted oncology therapeutics leveraging its game-changing Fleximer® immunoconjugate technology. Mersana's first product candidate XMT-1522 has the potential to address significant unmet needs and improve patient outcomes in multiple oncology indications. Fleximer-based immunoconjugate molecules have been shown to have superior efficacy, including with targets previously considered not amenable to antibody-drug conjugate approaches. Mersana has collaborations utilizing Fleximer technology with Takeda, Merck KGaA, and Asana BioSciences. For more information, please visit www.mersana.com.

About Takeda

Located in Osaka, Japan, Takeda (TSE: 4502) is a research-based global company with its main focus on pharmaceuticals. As the largest pharmaceutical company in Japan and one of the global leaders of the industry, Takeda is committed to strive towards better health for people worldwide through leading innovation in medicine. Additional information about Takeda is available through its corporate website, www.takeda.com.

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