



ARMO BioSciences Raises \$50 Million Series C Financing

***- Proceeds to Advance Lead Therapy AM0010 into First of Several Planned
Registration-Enabling Phase 2/3 Studies -
- Financing Included Existing and New Investors -***

REDWOOD CITY, Calif., February 10, 2016 – ARMO BioSciences, Inc., a clinical-stage biotechnology company, today announced the successful completion of a \$50 million Series C private financing. ARMO intends to use the proceeds from the financing to support the clinical development of its lead product candidate, AM0010 for the treatment of advanced solid tumors, and its pipeline of immunotherapies, including cytokines and an anti-Programmed Cell Death Protein (anti-PD-1) monoclonal antibody checkpoint inhibitor.

The Series C financing included all of ARMO’s existing investors, including Kleiner Perkins Caufield & Byers (KPCB), OrbiMed, DAG Ventures and NanoDimension, as well as new investors HBM Healthcare Investments, GV (formerly Google Ventures), Celgene Corporation, Industrial Investors Group and certain private investment funds advised by Clough Capital Partners L.P.

“This financing enables us to advance our immunotherapy pipeline, in particular our lead compound AM0010, as we aim to improve the treatment outcomes for cancer patients that do not respond to current immuno-oncology therapies,” said Peter Van Vlasselaer, Ph.D., President and Chief Executive Officer of ARMO. “AM0010 primes the tumor environment to become more responsive to immune-mediated therapies. In ongoing clinical trials, AM0010 has demonstrated durable clinical responses as a single agent and in combination with standard-of-care chemotherapies or anti-PD-1 monoclonal antibodies in melanoma, lung, renal, pancreatic, colorectal and breast cancers. This financing enables us to move forward and initiate the first of several planned registration-enabling phase 2/3 studies.”

“Despite recent breakthroughs in the immuno-oncology space, the majority of patients with immune-sensitive cancers unfortunately do not have long-term responses and many types of cancer are not responsive to these therapies at all,” said Beth Seidenberg, M.D., General Partner at KPCB. “ARMO’s unique approach in the immuno-oncology space offers the potential to expand the number of patients who are responsive to immunotherapies by using AM0010 to load tumors with activated cytotoxic T cells to attack tumors that have become refractory or unresponsive to these treatments.”

About AM0010

ARMO’s lead immunotherapy product candidate AM0010 is a PEGylated form of recombinant human IL-10, which has shown sustained antitumor effects and a good safety/tolerability profile in patients from multiple oncology indications. Over 270 advanced cancer patients have been dosed with AM0010 in a large phase 1 study in several difficult-to-treat solid tumor indications. Thirty-three patients were

treated in the monotherapy dose-escalation segment of the trial and the remainder were treated in expansion cohorts with either monotherapy or in combination with anti-PD-1 agents or standards of care. Final results from this trial across all indications are awaited and may offer standard-of-care changing front-line options for these cancers.

AM0010 has shown activity as a monotherapy and in combination with anti-PD-1 agents in immune-sensitive tumors such as melanoma, renal cell carcinoma (RCC) and non-small cell lung cancer (NSCLC) as well as in tumors previously not thought to be sensitive to immunotherapy such as colorectal (CRC) and pancreatic (PDAC) cancers. Early clinical results indicate that AM0010 primes the tumor micro-environment to become more susceptible to immune-mediated events such as increases in tumor infiltrating PD-1 positive T cells, thereby bestowing anti-PD-1 sensitivity on tumors, including those previously refractory to anti-PD-1 treatment. Since combining AM0010 with an anti-PD-1 agent appears to have synergistic clinical activity in immune-sensitive tumors such as melanoma, RCC and NSCLC, this mechanism may add an immune-mediated benefit in immune-insensitive cancers such as pancreatic, colorectal and breast cancer.

About ARMO BioSciences, Inc.

Founded in 2012, ARMO BioSciences is a clinical-stage company developing immunotherapies focused on multiple difficult-to-treat oncology indications. The company's lead immunotherapy AM0010, a PEGylated form of recombinant human IL-10, primes the tumor micro-environment for immune-mediated therapies and has demonstrated durable clinical responses in several types of cancer, as both a single agent and in combination with standard-of-care chemotherapy or anti-Programmed Cell Death Protein (anti-PD-1) monoclonal antibodies. ARMO plans to initiate the first of several registration-enabling phase 2/3 studies for AM0010 in solid tumors. The company also has a robust pipeline of therapeutic cytokines and an anti-PD-1 checkpoint inhibitor.

For more information, please visit www.armobio.com

Contact:

ARMO BioSciences

Scott Ogg, Ph.D.

Vice President Corporate Development and Operations

+1-650-779-5075

contact@armobio.com