

October 27, 2015

CALA-NASDAQ--Outperform (1) / V

Biotechnology

## CALA: "Triple" Meeting Update: More Patients, Longer Follow-up...CB-839's Monotherapy Profile Remains On the Right Track.

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### Sector Rating: Biotechnology, Market Weight

**\*\*Abstracts are available for the American Association for Cancer Research "Triple Meeting" (11/5-11/9/15):** <http://www.abstractsonline.com/plan/start.aspx?mkey=%7bC69FoC7B-CFF2-4010-AC6C-DEAE12E60491%7d>. The key incremental updates for CALA's CB-839 were in patients treated at the go-forward, Phase II 600mg+, twice-daily/food-fed doses [43 efficacy-evaluable and 53 safety-evaluable (vs. 17 and 27 in June)].

**\*\*Posters for Ph. I/II monotherapy solid tumor data on CB-839 will be on 11/8/15 (Abstract C49) and preclinical data on CB-1158 (arginase inhibitor) will occur 11/6/15 (A195).** We look to the CB-1158 poster for important data as the online abstract had limited information.

**\*\*With additional patients and longer follow-up, CB-839's initial signals of efficacy are holding steady.** Best response at the 600mg+ twice-daily dose remains stable disease (SD) at 40% vs. 41% (in June). In any patient achieving SD (including thrice-daily and dose-escalation), median time on drug/in study is 5+ months vs. 3+ months in June (reinforcing CB-839's relatively benign safety and good tolerability). The most durable SD to date remains in triple-negative breast (TNBC; previously reported) with duration of response at one-year+ and 23% tumor shrinkage. Updated data in renal-cell-carcinoma (RCC) indicate 64% SD, with five of 11 remaining on study and compares favorably to prior 50% SD. Recall at 600mg thrice-daily a RCC patient achieved 6% tumor shrinkage and remains on study at 11 cycles.

**\*\*Still no surprises on CB-839's safety profile.** Overall Grade-3+ drug-related events remain low at 9% and only one case of Gr3 reversible, asymptomatic transaminases elevation (2%; same as prior update).

**\*\*By year-end CALA will have six Ph. I(b) combination studies (at the twice-daily, food-fed dose) underway in TNBC, myeloma (MM), RCC, non-small cell lung, and acute myeloid leukemia (AML).**

**\*\*Next monotherapy data could be at the American Society of Hematology Meeting with an update in AML and potentially MM.**

**\*\*BOTTOM LINE:** Incrementally positive update with continued re-assuring safety and signals of durable efficacy as monotherapy. Ph. I(b) combination data in June remain critical for assessing CB-839's long-term potential in solid tumors and hematologic cancers.

**Calithera Biosciences, Inc. (CALA-NASDAQ)**

**Price as of 10/26/2015: \$7.34**

**FY 15 EPS: \$-2.02**

**FY 16 EPS: \$-2.31**

**Shares Out.: 17.9 MM**

**Market Cap.: \$131.39 MM**

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**All estimates/forecasts are as of 10/27/15 unless otherwise stated.**

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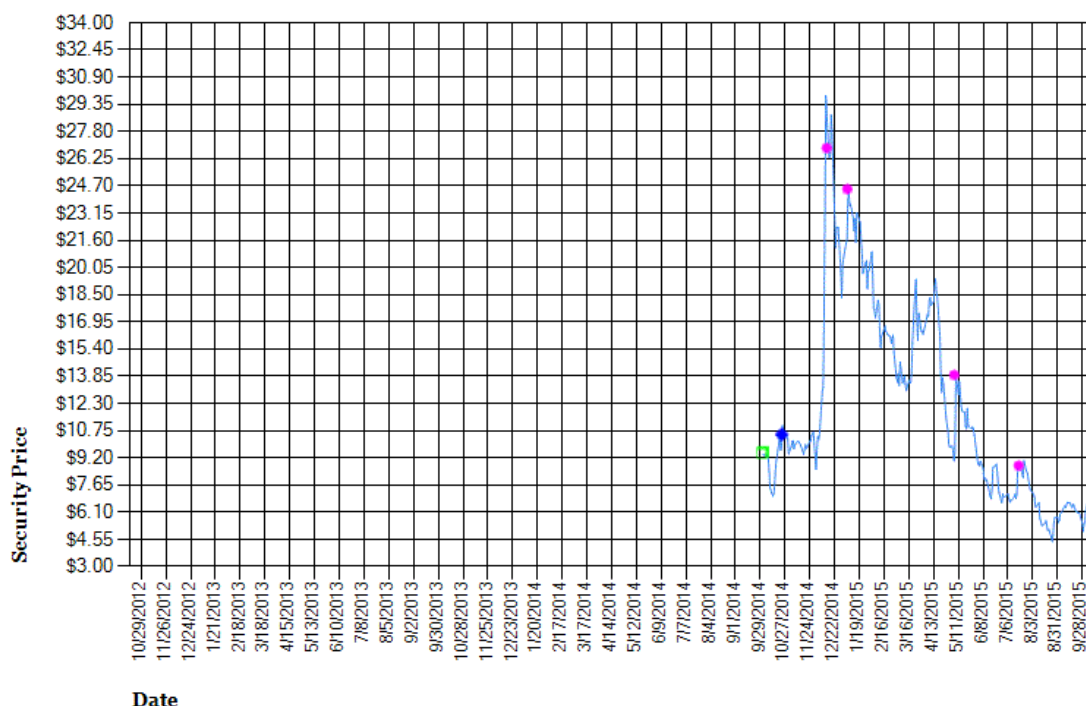
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## DISCLOSURE APPENDIX

### Required Disclosures

#### Calithera Biosciences, Inc. (CALA) 3-yr. Price Performance



| Date       | Published Price (\$) | Rating Code    | Val. Rng. Low | Val. Rng. High | Close Price (\$) |
|------------|----------------------|----------------|---------------|----------------|------------------|
| 10/3/2014  |                      | IPO at \$10.00 |               |                |                  |
| 10/27/2014 |                      | Andrews        |               |                |                  |
| 10/27/2014 | 11.04                | 1              | 19.00         | 20.00          | 10.40            |
| 12/15/2014 | 29.85                | 1              | 50.00         | 55.00          | 26.75            |
| 1/7/2015   | 23.85                | 1              | 35.00         | 40.00          | 24.40            |
| 5/8/2015   | 9.52                 | 1              | 27.00         | 30.00          | 13.87            |
| 7/20/2015  | 8.66                 | 1              | 19.00         | 20.00          | 8.66             |

Source: Wells Fargo Securities, LLC estimates and Reuters data

#### Symbol Key

- ▼ Rating Downgrade
- ▲ Rating Upgrade
- ◆ Initiation, Resumption, Drop or Suspend
- Analyst Change
- ◻ Split Adjustment

#### Rating Code Key

- 1 Outperform/Buy
- 2 Market Perform/Hold
- 3 Underperform/Sell
- SR Suspended
- NR Not Rated
- NE No Estimate

### Additional Information Available Upon Request

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- 2) No part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by me in this research report.

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