FOR IMMEDIATE RELEASE

Caris Life Sciences and Threshold Pharmaceuticals Collaborate to Utilize Caris' ADAPT Biotargeting System in the Development Program for Evofosfamide

Caris Life Sciences to Develop a Customized Assay for Pancreatic Cancer Patients to Predict Likelihood of Response to Evofosfamide, Threshold Pharmaceutical's Lead Drug Product Candidate

IRVING, Texas and SOUTH SAN FRANCISCO, Calif., Oct. 25, 2016 – Caris Life Sciences, a leading biotechnology company focused on fulfilling the promise of precision medicine, and Threshold Pharmaceuticals, Inc. (Nasdaq:THLD), a clinical-stage biopharmaceutical company specializing in the development of novel pharmaceutical products for the treatment of cancer, today announced that they have entered into a development and commercialization agreement to utilize Caris' patented and proprietary ADAPT Biotargeting System™ to develop a tissue-based clinical diagnostic assay for pancreatic cancer patients to predict the likelihood of response to evofosfamide, Threshold's lead drug candidate for the potential treatment of patients with cancer. Under the terms of the agreement, Caris is eligible to receive several million dollars in clinical development milestones and undisclosed downstream royalty payments. Through Caris' proprietary ADAPT Biotargeting System, Threshold may gain access to a diagnostic tool that will enable physicians to determine which patients would be most likely to benefit from treatment with evofosfamide.

"We are pleased to work with Threshold Pharmaceuticals to support the development of their novel potential therapy, which has shown promising results in this difficult-to-treat disease," said Bart Howe, Executive Vice President of Business Development and Corporate Strategy at Caris. "Our innovative and revolutionary ADAPT Biotargeting System is uniquely positioned to support the pharmaceutical clinical development process by identifying complex molecular signatures that can predict a patient's likelihood of response to a particular therapy."

"Since it is well understood that patients exposed to the same chemotherapy often respond differently, we look forward to working with Caris and their innovative ADAPT Biotargeting System to help physicians identify those patients most likely to benefit from evofosfamide," said Barry Selick, Ph.D., Chief Executive Officer of Threshold. "We remain optimistic about the potential role of evofosfamide for the treatment of cancer, and we continue to pursue discussions with Japanese regulatory authorities regarding potential registration pathways for evofosfamide and other development opportunities with evofosfamide."

Caris and Threshold will work together, leveraging tumor samples and outcomes data from the previously completed Phase 3 MAESTRO study in patients with advanced pancreatic cancer, to develop a novel, multiplexed diagnostic assay designed to classify a patient's likely clinical outcome from the use of evofosfamide.

Evofosfamide (previously known as TH-302) is an investigational hypoxia-activated prodrug of a DNA cross-linking agent that is preferentially activated under hypoxic tumor conditions, a feature of many solid tumors. In December 2015, Threshold announced that a Phase 3 study (MAESTRO) of evofosfamide had not met its primary endpoint. However, data from the MAESTRO study demonstrated meaningful improvement in overall survival in a subgroup of 116 patients from Japan, in which the risk of death was reduced by 48 percent for patients receiving evofosfamide compared to patients in the control arm.

Caris' ADAPT Biotargeting System is a proprietary platform that uses libraries of synthetically manufactured molecules trained to bind to biological targets of interest in order to characterize complex biological systems. Currently being utilized in discovery research, advanced diagnostics and drug development programs across multiple diseases, the ADAPT Biotargeting System also has potential utility in drug delivery, disease monitoring and direct therapeutic applications.

About Caris Life Sciences®

Caris Life Sciences® is a leading biotechnology company focused on fulfilling the promise of precision medicine through quality and innovation. The company's ADAPT Biotargeting System™ is a revolutionary and unbiased profiling platform with applications across therapy development, drug delivery, advanced diagnostics and disease monitoring. Currently being developed for cancer and other complex diseases, the ADAPT Biotargeting System is able to simultaneously measure millions of molecular interactions within complex biological systems in their natural state(s). Caris also offers comprehensive tumor profiling services through its patented and proprietary product, Caris Molecular Intelligence® (CMI). With more than 100,000 clinical cases, CMI provides oncologists with the most clinically actionable treatment options available to personalize cancer care today. Headquartered in Irving, Texas, Caris Life Sciences offers services throughout the U.S., Europe, Australia and other international markets. To learn more, please visit www.CarisLifeSciences.com.

About Threshold Pharmaceuticals

Threshold is a clinical-stage biopharmaceutical company focused on the discovery and development of drugs and diagnostic agents targeting tumor hypoxia, the low oxygen condition found in microenvironments of most solid tumors as well as the bone marrows of some hematologic malignancies. This approach offers broad potential to treat a variety of cancers. By selectively targeting tumor cells, we are building a pipeline of drugs that hold promise to be more effective and less toxic to healthy tissues than conventional anticancer drugs. For additional information, please visit the Company's website at www.thresholdpharm.com.

Threshold Pharmaceuticals Forward-Looking Statements

Except for statements of historical fact, the statements in this press release are forward-looking statements, including all statements regarding the therapeutic potential of evofosfamide and a companion diagnostic; Threshold's plans to continue to focus its resources on evofosfamide and a companion diagnostic; anticipated development activities related to evofosfamide and a companion diagnostic, and the anticipated timing thereof; Threshold's plans to continue to pursue discussions regarding potential registration pathways for evofosfamide in Japan, and the potential for evofosfamide to be approved for marketing in Japan. These statements involve risks and uncertainties that can cause actual results to differ materially from those in such forward-looking statements. Potential risks and uncertainties include, but are not limited to: the difficulty and uncertainty of pharmaceutical and companion diagnostic product development, including the risks that the design of, or data collected from the Phase III MAESTRO clinical trial of evofosfamide may be inadequate or insufficient to support development of a companion diagnostic for evofosfamide; the uncertain and time-consuming regulatory

approval process, including the risk that data from the completed MAESTRO clinical trial will not be sufficient to support the approval of evofosfamide for the treatment of patients with pancreatic cancer in Japan; Threshold's need for and the availability of resources to develop evofosfamide or a companion diagnostic and to support Threshold's operations, including the risks that Threshold's currently-available resources may be insufficient to further current development plans for evofosfamide or a companion diagnostic and that Threshold will otherwise need to raise substantial additional capital in order to advance the clinical development of evofosfamide or a companion diagnostic; the risks that Threshold could determine to abandon the development of evofosfamide or a companion diagnostic as a result of inadequate resources, negative or inconclusive clinical trial or toxicology study results, the failure to obtain regulatory approval of evofosfamide in Japan, or otherwise. Further information regarding these and other risks is included under the heading "Risk Factors" in Threshold's Quarterly Report on Form 10-Q, which has been filed with the Securities and Exchange Commission on August 1, 2016 and is available from the SEC's website (www.sec.gov) and on our website (www.thresholdpharm.com) under the heading "Investors." We undertake no duty to update any forward-looking statement made in this news release.

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Source: Caris Life Sciences