Sunesis Pharmaceuticals Enters into $15.5 Million Common Stock Purchase Agreement with Aspire Capital Fund, LLC

June 25, 2018

SOUTH SAN FRANCISCO, Calif., June 25, 2018 (GLOBE NEWSWIRE) -- Sunesis Pharmaceuticals, Inc. (Nasdaq:SNSS) today announced that it has entered into a Common Shares Purchase Agreement (the "Agreement") of up to $15.5 million with Aspire Capital Fund, LLC ("Aspire Capital").

Under the terms of the Agreement, Aspire Capital has made an initial investment via purchase of $500,000 worth of SNSS common shares at a price of $2.19 per common share. In addition, Aspire Capital has committed to purchasing up to an additional $15 million of common shares of Sunesis, at Sunesis' request from time to time during a 24-month period beginning on the effective date of a registration statement related to the transaction and at prices based on the market price at the time of each sale. There are no warrants, derivatives, or other share classes associated with this Agreement. Under the terms of the Agreement, Sunesis will control the timing and amount of the further sale of common shares of Sunesis to Aspire Capital.

"We are delighted to enter into this transaction with Aspire Capital and are happy with the control this arrangement gives us in our fundraising," said Willie Quinn, Chief Financial Officer of Sunesis. "This facility gives us another strategic and flexible financing tool which can efficiently support the advancement of our kinase inhibitor pipeline, led by the novel, non-covalent BTK inhibitor vecabrutinib."

"We are excited to invest in Sunesis and to be providing additional financial support with this Agreement, as we believe the company's lead asset, vecabrutinib, has the potential to become an important new treatment option for patients with CLL," said Steven G. Martin, Managing Member of Aspire Capital. "We are impressed with the Sunesis team and the work they have done to understand the science behind non-covalent BTK inhibition and what that can mean for patients. We look forward to seeing clinical validation for vecabrutinib."

Additional Information about the Transaction
Proceeds will be used by Sunesis for general corporate purposes, including working capital. There are no restrictions on future financings and there are no financial covenants, participation rights, rights of first refusal, or penalties in the Agreement. Sunesis has the right to terminate the Agreement at any time, at its discretion, without any additional cost or penalty.

As consideration for Aspire Capital's obligation under the Agreement, Sunesis issued 212,329 common shares to Aspire Capital as a commitment fee. Sunesis also entered into a Registration Rights Agreement with Aspire Capital in connection with its entry into the Agreement. Additional detail regarding the Agreement and the related Registration Rights Agreement is set forth in Sunesis' Current Report on Form 8-K filed with the SEC.

About Sunesis Pharmaceuticals
Sunesis is a biopharmaceutical company developing new therapeutics for the treatment of hematologic and solid cancers. Sunesis has built an experienced drug development organization committed to improving the lives of people with cancer. The Company is focused on advancing its novel kinase-inhibitor pipeline, with an emphasis on establishing proof of concept that its oral non-covalent BTK-inhibitor vecabrutinib is effective in ibrutinib-resistant chronic lymphocytic leukemia. Vecabrutinib is currently being evaluated in a Phase 1b/2 study in adults with chronic lymphocytic leukemia and other B-cell malignancies who have progressed after prior therapies. Beyond the development of vecabrutinib, the Company has two other kinase inhibitor programs, including Sunesis' proprietary preclinical PDK1 inhibitor SNS-510, which is in preclinical development with an IND submission planned in 2019, and the Takeda-partnered pan-RAF inhibitor TAK-580, which is in a clinical trial for pediatric low-grade glioma. PDK1 is a master kinase that activates other kinases important to cell growth and survival including members of the AKT, PKC, RSK and SGK families. Sunesis is also seeking a partner to fund the completion of development for vosaroxin, a Phase 3 investigational product for relapsed or refractory AML.

For additional information on Sunesis, please visit www.sunesis.com.

This press release contains forward-looking statements, including statements related to Sunesis' cash sufficiency forecast, the continued development of vecabrutinib (SNS-062), including the timing of Phase 1b/2 trial of vecabrutinib and the therapeutic potential of vecabrutinib, further development and potential of its kinase inhibitor pipeline, and planned development of SNS-510. Words such as "believe," "expect," "look forward," "potential," "will" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based upon Sunesis' current expectations. Forward-looking statements involve risks and uncertainties. Sunesis' actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of these risks and uncertainties, which include, without limitation, the risk related to the timing or conduct of Sunesis' clinical trials, including the vecabrutinib Phase 1b/2 trial, the risk that Sunesis' clinical or preclinical studies for vecabrutinib, SNS-510 or other product candidate may not demonstrate safety or efficacy or lead to regulatory approval, the risk that data to date and trends may not be predictive of future data or results, risks related to the timing or conduct of Sunesis' clinical trials, that Sunesis' development activities for vecabrutinib or SNS-510 could be otherwise halted or significantly delayed for various reasons, that Sunesis may not be able to receive regulatory approval of vecabrutinib, or SNS-510 in the U.S. or Europe, and risks related to Sunesis' ability to raise the capital that it believes to be accessible and is required to fully finance the development and commercialization of vecabrutinib, SNS-510 and other product candidates. These and other risk factors are discussed under "Risk Factors" and elsewhere in Sunesis' Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 and Sunesis' other filings with the Securities and Exchange Commission. Sunesis expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein reflect any change in Sunesis' expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

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Source: Sunesis Pharmaceuticals, Inc.