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Inspyr Therapeutics and Lewis and Clark Pharmaceuticals to Merge

Creating Integrated Biopharmaceutical Company with Broad Proprietary Pipeline and Platform for Expansion

WESTLAKE VILLAGE, Calif. and CHARLOTTESVILLE, Va., May 30, 2017 (GLOBE NEWSWIRE) -- Inspyr Therapeutics (OTCQB:NSPXD), a clinical-stage biotechnology company, and Lewis and Clark Pharmaceuticals, a privately-held biotechnology company, today announced that they have entered into an agreement to create an integrated company with a proprietary platform driving a pipeline of novel therapeutics.

[L&C Logo.jpg](#)

Under this agreement, Inspyr will purchase Lewis and Clark in an all-stock transaction and will execute plans to leverage a team with significant experience to advance a broader pipeline of novel therapeutics. The boards of directors of both Inspyr and Lewis and Clark have unanimously approved the proposed agreement, which is subject to customary closing conditions as well as reaching a definitive agreement on all of the terms.

“By combining the strengths of each organization, we are creating an integrated

biopharmaceutical company with a unique ability to potentially improve outcomes for patients in a variety of therapeutic areas. Our capabilities will span from the discovery of new molecules through clinical development and regulatory filings,” said Peter Grebow Ph.D., Chairman of Inspyr. “Over the last 12 months, we embarked on a path to unlock the potential of our lead therapy Mipsagargin, strengthen the management team and broaden the pipeline. We will now have proprietary platform technology, additional expertise and laboratory facilities, while also broadening the pipeline. We believe this transaction immediately creates a stronger company and longer term allows us to explore new options to generate additional value from this proprietary platform and pipeline of novel therapies.”

“Our proprietary platform has been validated with multiple therapies and we are eager to advance into IND-enabling studies,” said Robert Thompson, Ph.D., Founder and Chief Executive Officer of Lewis and Clark Pharmaceuticals. “We are excited to leverage the Inspyr team’s expertise in translational medicine and clinical development, in particular for oncology therapeutics, to accelerate our pipeline toward the clinic and unlock additional value from this technology.”

Inspyr will become an integrated biopharmaceutical company focused on advancing a broad pipeline of novel therapies to treat cancer, inflammation, and other serious diseases. Inspyr’s lead product candidate Mipsagargin, a novel prodrug therapeutic for cancer, is being developed initially for hepatocellular carcinoma (HCC), or liver cancer. Lewis and Clark’s pipeline of novel proprietary and potentially first-in-class adenosine receptor modulator based compounds are currently in advanced preclinical development as oncology or anti-inflammatory agents. For more information on the pipeline, please visit <http://www.inspyrtx.com/product-pipeline>.

Key strategic benefits from creating an integrated company include:

- **Novel proprietary technology platform.** Lewis and Clark’s industry-leading proprietary technology platform is based on adenosine chemistry and biology. From this platform, Lewis and Clark has developed multiple adenosine receptor modulator based compounds that are advancing into studies to support planned Investigational New Drug (IND) applications. Inspyr intends to leverage this platform to explore future potential license opportunities.
- **Broad pipeline of novel therapies for oncology and inflammation.**
 - Lewis and Clark’s pipeline of novel proprietary therapies includes four lead programs: a dual A_{2A}/A_{2B} antagonist, an A_{2A} antagonist, an A_{2B} antagonist, and an A_{2A} agonist. These therapies are highly potent and selective, with important molecular properties that enable enhanced distribution in tissue and penetration of human skin. These therapies are in advanced preclinical development.
 - The dual A_{2A}/A_{2B} antagonist has both immune function modulation and anti-angiogenic properties and thus has potential as an immuno-oncology and anti-angiogenic agent to treat multiple types of solid and hematological malignancies.
 - The A_{2A} agonists offers the potential to treat inflammatory and autoimmune diseases as arthritis, Crohn’s disease, diabetic nephropathy, and psoriasis.
 - The A_{2B} antagonist offers the potential to treat asthma, type 2 diabetes,

atherosclerosis, and nonalcoholic fatty liver disease.

- Inspyr's lead therapy, Mipsagargin, currently is in development for the treatment of solid tumors.
 - For liver cancer, Mipsagargin in combination with Nexava[®] is being evaluated in a preclinical study in liver tumor models that express different levels of PSMA, the target of Mipsagargin. Inspyr is finalizing the design of a clinical study to examine the potential benefits of Mipsagargin in combination with Nexavar[®] in patients with advanced hepatocellular carcinoma (HCC), or liver cancer.
 - For gastric cancer, Inspyr has initiated a preclinical study in gastric cancer tumor models that express different levels of PSMA. In this initial study, Mipsagargin will be evaluated first in combination with paclitaxel and in a subsequent study will be evaluated in combination with DC101 (Cyramza[®] surrogate antibody).
 - Utilizing Lewis and Clark's wet laboratory facilities, Inspyr has the potential to internally develop additional pro-drugs targeting PSMA with different toxic payloads.

- **Experienced leadership.** Inspyr's team has significant clinical development, translational medicine, and business operations experience in the biopharmaceutical industry. Lewis and Clark, which was founded by Robert Thompson, Ph.D, an industry-recognized leader in adenosine chemistry, has a team with significant expertise in preclinical development, toxicology, regulatory filings, adenosine receptor pharmacology, physiology, and molecular biology.

Pursuant to the terms of the transaction, Lewis and Clark Pharmaceuticals will become a wholly-owned subsidiary of Inspyr. Upon the closing of the transaction, existing Lewis and Clark stockholders are expected to own 50% of Inspyr's common shares, on an as converted basis.

About Inspyr Therapeutics

Inspyr Therapeutics, Inc. develops therapies for cancer using a novel technology platform that combines a powerful therapeutic (thapsigargin) with a patented prodrug delivery system that targets the release of drugs within solid tumors. Mipsagargin, its lead drug candidate, has been studied in a Phase 2 clinical trial in patients with Nexavar[®]-refractory hepatocellular carcinoma (HCC) and has been granted Orphan Drug designation by the U.S. Food and Drug Administration (FDA) in this indication. For additional information on Inspyr Therapeutics, visit www.inspyrtx.com.

About Lewis and Clark Pharmaceuticals

Lewis and Clark Pharmaceuticals is a privately-held biotechnology company developing novel proprietary compounds from an industry-leading technology platform based on adenosine chemistry and biology. In addition, Lewis and Clark maintains fully-equipped, state-of-the-art organic and analytical chemistry laboratories located in Charlottesville, Virginia. The Company's chemists and toxicologist have expertise in chemical synthesis and analysis, non-clinical dose formulation and plasma concentration analysis, assay development, and toxicology. For additional information on Lewis and Clark, visit <http://www.lncpharma.com>.

Inspyr's Cautionary Statement Regarding Forward Looking Information

This communication may contain forward-looking statements. Investors are cautioned that

statements in this document regarding potential applications of Inspyr's technologies or the future prospects of the company constitute forward-looking statements that involve risks and uncertainties, including, without limitation, risks inherent in the development and commercialization of potential products, uncertainty of clinical trial results or regulatory approvals or clearances, need for future capital, dependence upon collaborators and maintenance of our intellectual property rights and the acceptance of Inspyr's proposed therapies by the health community. Actual results may differ materially from the results anticipated in these forward-looking statements. Additional information on potential factors that could affect our results and other risks and uncertainties will be detailed from time to time in Inspyr's periodic reports filed with the Securities and Exchange Commission.

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