Tokai Pharmaceuticals Announces Reduction in Force

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BOSTON--(BUSINESS WIRE)--Jul. 29, 2016-- Tokai Pharmaceuticals Inc. (NASDAQ: TKAI), a biopharmaceutical company focused on developing and commercializing innovative therapies for prostate cancer and other hormonally driven diseases, today announced that it is reducing its workforce by approximately 60 percent, to a total of 10 full-time equivalent employees, under a plan expected to be largely completed by the end of the third quarter of 2016. This workforce reduction is designed to reduce operating expenses while the company conducts a comprehensive evaluation of strategic options for galeterone and its pipeline. Affected employees are being offered severance and outplacement assistance.

Tokai expects the reduction in force to result in approximately $4.2 million in reduced annualized operating expenses once the plan is fully implemented. The company also expects to incur a charge in the third quarter of 2016 of approximately $1.3 million related to the reduction, including severance, benefits and related costs.

“A reduction in force is a very difficult yet necessary step in light of the recent discontinuation of the ARMOR3-SV trial of galeterone in mCRPC,” said Jodie Morrison, President and Chief Executive Officer of Tokai. “I would like to personally express my appreciation to each of the employees impacted by this decision for their commitment to the development of galeterone, as well as for their meaningful contributions to a program that has expanded the dialogue among the medical and patient communities about AR-V7 and advanced prostate cancer treatment options.”

About Galeterone
Galeterone is an oral small molecule that utilizes the mechanistic pathways of current second-generation hormonal therapies, including abiraterone and enzalutamide, while also introducing a unique third mechanism – androgen receptor degradation – that impairs the function of androgen receptors, decreasing their sensitivity to androgen activity and reducing tumor growth. Tokai is developing galeterone for the treatment of patients with metastatic castration-resistant prostate cancer. Tokai has worldwide development and commercialization rights to galeterone.

About Tokai Pharmaceuticals
Tokai Pharmaceuticals is a biopharmaceutical company focused on developing and commercializing innovative therapies for prostate cancer and other hormonally driven diseases. The company’s lead drug candidate, galeterone, is an oral small molecule that utilizes the mechanistic pathways of current second-generation hormonal therapies, while also introducing a unique third mechanism – androgen receptor degradation. Tokai is developing galeterone for the treatment of patients with metastatic castration-resistant prostate cancer. The company also has a cancer discovery program focused on compounds that potently and selectively degrade the androgen receptor. For more information on the company, please visit www.tokaipharmaceuticals.com.

Forward-looking Statements
Any statements in this press release about our future expectations, plans and prospects, including statements about our strategy, future operations, intellectual property, and other statements containing the words “believes,” “anticipates,” “plans,” “expects,” and similar expressions, constitute forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including: whether the reduction in force will achieve the anticipated cost savings; whether our cash resources will be sufficient to fund our continuing operations for the period anticipated; whether, if we determine to move forward with the development of galeterone, necessary regulatory and ethics approvals to commence additional clinical trials for galeterone can be obtained, data from early clinical trials of galeterone will be indicative of the data that will be obtained from future clinical trials; whether the results of clinical trials will warrant submission for regulatory approval of galeterone, any such submission will receive approval from the United States Food and Drug Administration or equivalent foreign regulatory agencies and, if galeterone obtains such approval, it will be successfully distributed and marketed; and other factors discussed in the “Risk Factors” section of our annual

report on Form 10-K for the year ended December 31, 2015. Any forward-looking statements contained in this press release speak only as of the date hereof and not of any future date, and we expressly disclaim any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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