



Verastem Announces Reduction of Workforce

October 8, 2015

BOSTON--(BUSINESS WIRE)--Oct. 8, 2015-- Verastem, Inc. (NASDAQ: VSTM), focused on discovering and developing drugs to treat cancer by the targeted killing of cancer stem cells, today announced a reduction of its workforce by approximately 50% to 20 full time employees.

"This is an extremely painful decision that will impact many of our passionate and talented colleagues, and their families," said Robert Forrester, President and Chief Executive Officer of Verastem. "I would like to convey my utmost gratitude to the employees who are departing Verastem for their dedication to trying to help develop novel therapeutics for patients and their many contributions to the company."

All affected employees will receive severance pay and outplacement assistance. As a result of the reduction in force and associated costs, Verastem estimates annual savings of approximately \$4.9 million in cash operating expenses on a going forward basis, with estimated one-time severance and related costs of approximately \$825,000 over the fourth quarter of 2015 and the first quarter of 2016.

Verastem reported \$132.1M in cash and cash equivalents at the end of the second quarter 2015.

About Verastem, Inc.

Verastem, Inc. (NASDAQ:VSTM) is discovering and developing drugs to treat cancer by the targeted killing of cancer stem cells. Cancer stem cells are an underlying cause of tumor recurrence and metastasis. Verastem is developing small molecule inhibitors of signaling pathways that are critical to cancer stem cell survival and proliferation: FAK and PI3K/mTOR. For more information, please visit www.verastem.com.

Forward-looking statements:

This press release includes forward-looking statements about the Company's strategy, future plans and prospects, including statements regarding the development of the Company's product candidates, and our ability to finance contemplated development activities and fund operations for a specified period, the cause, size, timing and impact of the Company's workforce reduction and related activities, including the costs and annual savings anticipated in connection with the reduction. The words "anticipate," "appear," "believe," "estimate," "expect," "intend," "may," "plan," "predict," "project," "target," "potential," "will," "would," "could," "should," "continue," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Each forward-looking statement is subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such statement. Applicable risks and uncertainties include, without limitation, the risks that the preclinical testing of the Company's product candidates and preliminary or interim data from clinical trials may not be predictive of the results or success of ongoing or later clinical trials, that data may not be available when we expect it to be, that enrollment of clinical trials may take longer than expected, that the Company will be unable to successfully complete the clinical development of its product candidates, that the development of the Company's product candidates will take longer or cost more than planned, that the Company's product candidates will not receive regulatory approval or become commercially successful products, that the Company will be unable to adequately predict the financial impact or timing of the Company's reduction of its workforce, including the risk that the actual financial and other impacts of the reduction could vary materially from the outcomes anticipated, that there may be difficulties in and unanticipated effects from the implementation of the workforce reduction, such as claims arising out of the reduction, and that the Company will be unable to effectively reduce its operating expenses to a sufficient magnitude or for a sufficient period of time. Other risks and uncertainties include those identified under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2014 and in any subsequent SEC filings. The forward-looking statements contained in this press release reflect the Company's current views with respect to future events, and the Company does not undertake and specifically disclaims any obligation to update any forward-looking statements.

View source version on businesswire.com: <http://www.businesswire.com/news/home/20151008006506/en/>

Source: Verastem, Inc.

Verastem, Inc.

Brian Sullivan, 781-292-4214

bsullivan@verastem.com