CHINA'S LIFE SCIENCE INDUSTRY 1-3/18

Dear Friends and Colleagues,

In an interesting article, published earlier this month, Dr. Zhang Jin describes the impressive leap forward made by the Chinese health industry during 2017. Dr. Zhang highlights the progress made by the CFDA to promote local innovation and the pursuit to faster introduce better therapies; as well as the achievements (and difficulties) in advancing local medical services. Most importantly, she is pointing out China's internationalization, and the effort to bring it to par with the leading health markets in the developed world. The combination of these efforts serves as a good indicator for China's will to make cutting edge medical technologies available to its people and an evidence to China's continuing trend as the world's second largest and fastest growing health market.

We'd like to take the opportunity and wish you and your loved ones a Happy Pesach and an enjoyable Easter vacation!

Eyal Harel
CEO-Global

NEWS FROM THE INDUSTRY

Tetraphase Sells its Antibiotics' China Rights to Everest Medicines

Feb. 20, 2018. Tetraphase Pharma, a biopharmaceutical company focused on developing and commercializing novel antibiotics to treat life-threatening multidrug-resistant (MDR) infections, announced that it has entered into an exclusive licensing agreement with China-based Everest Medicines, to develop and commercialize eravacycline in mainland China, Taiwan, Hong Kong, Macau, South Korea, and Singapore.

Under the terms of the agreement, Tetraphase will receive an initial upfront payment of $7.0 million and may receive clinical and regulatory milestones of up to $16.5 million, as well as annual sales milestones of up to $20.0 million. Everest will be solely responsible for the development and commercialization of

eravacycline in the licensed territories. Tetraphase will also be eligible to receive double digit tiered royalties on net sales of eravacycline in the licensed territories.

Mologen Licenses the China Rights of its Lead Compound, Lefitolimod, to Oncologie with Expected Milestone Payments Exceeding 100 million Euros

February 13, 2018. Germany-based Mologen has signed a license deal for the Chinese territory and a global co-development agreement with Oncologie for its lead compound lefitolimod. Oncologie is an oncology-focused drug development company with headquarters in Boston and operations in Shanghai. Mologen is to receive a EUR 3 million initial payment; a EUR 2 million equity investment, development milestone payments of over EUR 100 million, as well as double digit royalties on net sales.

CANbridge Acquires the China Rights for Puma's Cancer Candidate, NERLYNX®, in a $70 Million Deal

February 1, 2018. Puma Biotechnology, a biopharmaceutical company, and CANbridge Life Sciences, a biopharmaceutical company focused on developing Western drug candidates in China and North Asia, have entered into an exclusive agreement under which CANbridge will develop and commercialize NERLYNX® (neratinib) in mainland China, Taiwan, Hong Kong, and Macau.

NERLYNX is not currently approved for commercialization outside of the United States and CANbridge will be responsible for seeking the requisite regulatory approval to commercialize NERLYNX in the licensed territories.

Puma will receive an upfront payment of $30 million and potential milestone payments totaling up to $40 million upon achievement of certain regulatory milestones. In addition, Puma will receive significant double-digit royalties on NERLYNX sales in greater China and potential milestone payments upon the achievement of certain sales-based milestones.

BeiGene Acquires Asia Rights to Mirati's Cancer Treatment for $133 Million

January 8, 2018. BeiGene, Ltd., a commercial-stage biopharmaceutical company focused on developing and commercializing innovative molecularly targeted and immuno-oncology drugs for the treatment of cancer, and Mirati Therapeutics, a clinical-stage targeted oncology company, entered an exclusive license agreement for the development, manufacturing and commercialization of Mirati's sitravatinib in Asia (excluding Japan), Australia, and New Zealand. Mirati will retain exclusive rights for the development, manufacturing and commercialization of sitravatinib for the rest of world.

Sitravatinib is an investigational tyrosine kinase inhibitor that has demonstrated potent inhibition of receptor tyrosine kinases (RTKs), including TAM family

receptors (TYRO3, Axl, MER), split family receptors (VEGFR2, KIT) and RET. It is being evaluated by Mirati as a single agent in a Phase 1b expansion trial in patients whose tumors harbor specific genetic alterations in non-small cell lung cancer (NSCLC) and other tumors types.

Under the agreement, Mirati will receive an upfront cash payment of $10 million from BeiGene. Additionally, Mirati is eligible to receive up to $123 million of additional payments based upon the achievement of certain development, regulatory and sales milestones as well as significant royalties on future sales of sitravatinib by Beigene.

Eisai Enters into a Licensing Agreement with Adlai Nortye For Potential Anticancer Agent

On January 19, 2018, Japan-based Eisai Co. announced that it has entered into a licensing agreement granting exclusive rights concerning the research, development, manufacture and marketing of Eisai's in-house discovered potential anticancer agent to China-based Adlai Nortye Biopharma in all regions outside of Japan and part of Asia.

E7046, an investigational prostaglandin E2 (PGE2) type EP4 receptor antagonist, is an orally administered, selective EP4 receptor antagonist discovered by Eisai's U.S. Andover research facility.

Currently, E7046 is being investigated as a monotherapy in a Phase I clinical study as well as a Phase Ib clinical study in combination with radiotherapy/ chemoradiotherapy.

Under this agreement, Eisai will receive an upfront and milestone payments from Adlai Nortye in accordance with the progress of development, as well as certain royalties according to sales revenue after launch.

Lepu Medical Buys 13% Stake in Australia's Viralytics for $29.6 million

January 5, 2018. Viralytics, an innovator in the field of oncoloytic immunotherapy, has raised $29,633,682 in a placement to Lepu Medical Group, a leading diversified life sciences company in China. The investment is a private placement of 36,138,637 shares at a price of $0.82 each. Following the placement, Lepu Medical will own about 13% of Viralytics shares on issue.

Jiangsu Hengrui Out-Licenses Novel Dermatology Drug in a $233 Million Deal

January 5, 2018. Jiangsu Hengrui Medicine and Arcutis announced a development and commercialization partnership for novel immune-mediated SHR0302, which is used for the treatment of dermatology disorders. SHR0302, a highly potent, selective JAK inhibitor, is currently being evaluated in phase II clinical trials for rheumatoid arthritis in China.

Hengrui is eligible to receive up to $223 million, including upfront, regulatory and commercial milestone payments, plus royalties.