



BioAtla® and Sinobioway Expand Collaboration Agreement and Enter Into Services Agreement

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Five new CAB antibody candidates to be selected

New services agreement provides for discounted development and manufacturing costs

SAN DIEGO, CA - May 16, 2017 - BioAtla® LLC, a global biotechnology company focused on the development of Conditionally Active Biologic (CAB) antibody therapeutics, today announced that BioAtla and Beijing Sinobioway Group Company, Limited (Sinobioway) expanded their CAB development and commercialization collaboration agreement with the addition of five new CAB antibody targets, and entered into a new services agreement for Sinobioway to provide specified development and manufacturing services to BioAtla.

In March 2015, BioAtla and Sinobioway entered into a strategic collaboration for the development and commercialization of select CAB antibodies for specific indications in China, Hong Kong, Macau and Taiwan (the Territory). As a result of the selection of the initial four CAB candidates and the specific indications for development under this agreement for 2016, BioAtla received collaboration funding payments from Sinobioway in 2015 and 2016 totaling \$40 million. Under the expanded agreement, Sinobioway is obligated to select five additional new CAB antibody indications and to pay BioAtla a total of \$50 million, comprised of \$30 million in cash and \$20 million in the form of credits for future manufacturing and development services to be performed at discounted rates by Sinobioway pursuant to the services agreement.

Of the \$30 million cash payment, BioAtla is entitled to receive \$5 million in May 2017 and \$25 million following the first approval of an Investigational New Drug application (IND) filed by BioAtla with the U.S. Food and Drug Administration (FDA) to commence a Phase 1 clinical trial of a CAB antibody candidate. In addition, pursuant to the expanded agreement, upon the later of BioAtla's first IND approval and March 31, 2018, Sinobioway will be obligated to pay BioAtla upfront payments totaling \$40 million in cash for four more antibody candidate indications. BioAtla is currently completing pre-IND development of its CAB Axl-ADC and CAB Ror2-ADC antibody product candidates. CAB Axl-ADC for the treatment of pancreatic cancer and CAB Ror2-ADC for the treatment of triple negative breast cancer are two of the four initial CAB antibody indications previously selected by Sinobioway for the Territory. Under the collaboration agreement, Sinobioway or certain affiliated entities are obligated to fund the development, manufacturing, clinical trials and commercialization costs in the Territory for each of the Sinobioway selected CAB antibody candidate indications.

The new master services agreement allows for BioAtla to have Sinobioway perform development and manufacturing services pursuant to mutually-agreed upon work plans. These services are available for development and manufacturing of BioAtla's own CAB product candidates as well as for CAB product candidates BioAtla may license to partners other than Sinobioway for development and commercialization primarily in the rest of the world outside of Sinobioway's Territory. Such services may include manufacturing product for clinical trials and for commercialization. Because BioAtla expects that most of the CAB candidates it would seek to develop or manufacture through Sinobioway's services would also be licensed to Sinobioway under the collaboration agreement, Sinobioway would also benefit from performing the services for such CAB products.

Pursuant to the services agreement, Sinobioway is obligated to provide BioAtla pricing at a discount of at least 85% to prevailing market prices for services relating to CAB product candidates through Phase 2 development until BioAtla has received an aggregate of \$20 million worth of services at the discounted rate. Thereafter, BioAtla is entitled to a discount of 75% to prevailing market prices for services relating to CAB product candidates through Phase 2 development. In addition, BioAtla is entitled to pricing at Sinobioway's "most preferred rate" for services relating to CAB product candidates in Phase 3 development and for commercial supplies of any approved CAB product. Sinobioway is also required to prioritize work under the work plans for each CAB program over all other projects, including use of equipment for manufacturing projects and animals in animal testing.

About Conditionally Active Biologics (CABs)

[Conditionally Active Biologic](#) proteins are generated using BioAtla's proprietary protein discovery, evolution and expression technologies. These proteins can be mAbs, enzymes and other proteins designed with functions dependent on changes in microphysiological conditions (e.g. pH level, oxidation, temperature, pressure, presence of certain ions, hydrophobicity and combinations thereof) both outside and inside cells.

Studies have shown that cancerous tumors create highly specific conditions at their site that are not present in normal tissue. These [cancerous microenvironments](#) are primarily a result of the well understood unique glycolytic metabolism associated with cancer cells, referred to as the Warburg Effect. CAB proteins are designed to deliver their therapeutic payload and/or recruit the immune response in specific and selected locations and conditions within the body and to be active only in the presence of a particular cellular microenvironment. In addition, the activation is designed to be reversible to repeatedly switch 'on and off' should the CAB move from a diseased to a normal cellular microenvironment and vice versa. CABs can be developed in a variety of formats including antibodies, antibody drug conjugates (ADCs), bi-specifics, chimeric antigen receptor T-cells (CAR-Ts) and combination therapies.

About Beijing Sinobioway Group Company, Limited

[Sinobioway](#) was founded in 1992 and is one of the three main industrial groups affiliated with Peking University. Sinobioway is mainly engaged in bioeconomy system establishment and bio-industry development. It primarily invests in biomedicine, bioagriculture, bioenergy, bioenvironment, bioservices, biomanufacturing and biointelligence. Biologic therapeutics is a particular focus of Sinobioway in its plans to develop and commercialize new medicines. Sinobioway is constructing a large biologics production facility, with a long-term capability goal of 100 production lines, in the planned Bio-Economic zone under construction in Hefei.