



## BioAtla® Receives \$30M Equity Investment from China-based Investor Group

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### Proceeds to accelerate proprietary product development and create opportunities in the Chinese pharmaceutical market

San Diego, Calif. – June 11, 2015 – BioAtla® LLC, a global biotechnology company focused on the development of Conditionally Active Biologic (CAB) antibody therapeutics, today announced that a China-based investor group has purchased \$30 million in BioAtla® equity. The proceeds will be used to accelerate the development of the company's CAB antibody drug pipeline. This strategic investment will also advance BioAtla®'s plans to collaboratively develop biotherapeutics with biopharmaceutical companies in China to address the growing demand for innovative therapeutic products in the Chinese pharmaceutical market.

BioAtla®'s patent-protected Conditionally Active Biologics platform represents a disruptive technology for the development of a powerful new class of immunotherapeutics that are activated in selected microenvironments within the body, such as the tumor microenvironment. CABs can be generated in several different formats including naked monoclonal antibodies (mAbs), antibody drug conjugates, immune checkpoint inhibitors, bispecific antibodies, and chimeric antigen receptor (CAR) T cells.

“The \$30 million equity investment is a transformative event for BioAtla® and our strategy to broadly and rapidly pursue novel therapeutic products based on our patented CAB and other proprietary technologies,” said Jay M. Short, Ph.D., President, Chief Executive Officer, and Chairman of BioAtla®. “Since BioAtla®'s founding in 2007, we have utilized our Beijing development and operations capabilities to successfully develop dozens of protein products under contract and shared development. Our drug development experience and expertise in China, the great prospects of the CAB platform, and our strategy of developing proprietary drugs to defined value inflection points prior to partnering with pharmaceutical companies are attractive features for the investor group. The investor group's contacts and relationships in the China biopharmaceutical field are expected to lead to additional near-term, non-dilutive research and development investments in establishing integrated strategic partnering collaborations in China in the areas of CAB-enhanced antibody therapeutics, including in immuno-oncology and CAR-T therapeutics.”

### About Conditionally Active Biologics (CABs)

[Conditionally Active Biologic](#) proteins (CABs) are generated using BioAtla®'s proprietary protein evolution and expression technologies. These proteins can be monoclonal antibodies (mAbs), enzymes or 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).

Studies have shown that tumors create highly specific conditions locally that are not found in normal tissue. These [cancerous microenvironments](#) are a result of the well understood unique glycolytic metabolism associated with cancer cells, referred to as the Warburg Effect, which was first described in the early 1900's and is the basis of the widely-used PET scan cancer detection method today. CAB-designed mAbs can be programmed to deliver their therapeutic payload and/or recruit the immune response in specific and selected locations and conditions within the body. CABs increase safety because the drug is reversibly activated when it preferentially binds directly to its intended target protein in the area of disease. In this example, the CAB does not effectively bind to the same protein located in healthy tissue or other parts of the body that can otherwise result in undesirable toxicity.

The CAB antibody's selective activation results from amino acid substitutions of human-like sequences made to ensure compatibility. In addition to reducing risk of immunogenicity, this approach also improves the manufacturing yield of the drug. Reliably good expression and high manufacturing yields are also derived from BioAtla®'s patented [Comprehensive Integrated Antibody Optimization™ \(CIAO\)](#) technology that allows every step of development and screening of antibody variants until final CAB lead selection to be conducted in the mammalian cell type to be used in manufacturing.

CABs allow for higher dosing, the development of effective, non-immunogenic drugs, and the use of targets that are validated for cancer cells but traditionally considered too prevalent among normal cells to be used safely in current drug therapies. This opens a potentially rich range of targets for CABs that cannot be addressed using existing technologies. CABs may also be employed as diagnostic tools to reveal and pinpoint conditions indicative of cancerous activity.