AnaptysBio Announces Agreement to Monetize Portion of JEMPERLI Royalties for $250 Million with Sagard

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- AnaptysBio to receive $250 million upfront cash payment from Sagard Healthcare Royalty Partners
- Sagard to receive AnaptysBio's 8% royalty on annual global net sales of JEMPERLI (dostarlimab-gxly) below $1 billion, plus certain future regulatory and commercial sales milestones, while AnaptysBio retains 12-25% royalties and milestones on annual global net sales at or above $1 billion
- Agreement expires once Sagard receives capped return equivalent to either 125% of the upfront payment if received by end 2026, 135% if received during 2027 or 165% thereafter
- Recent GSK estimates anticipate peak annual global JEMPERLI sales of approximately $1.4-$2.8 billion
- AnaptysBio expects to end 2021 with approximately $600 million in cash and will continue to operate in a capital-efficient manner

SAN DIEGO, Oct. 25, 2021 (GLOBE NEWSWIRE) -- AnaptysBio, Inc. (Nasdaq: ANAB), a clinical-stage biotechnology company developing first-in-class antibody product candidates focused on emerging immune control mechanisms applicable to inflammation and immuno-oncology indications, today announced the signing of an agreement with Sagard Healthcare Royalty Partners to monetize a portion of AnaptysBio's future JEMPERLI royalties and milestones. AnaptysBio intends to utilize the proceeds of the transaction towards funding of its wholly-owned preclinical and clinical-stage antibody programs.

"We believe this transaction with Sagard validates the future commercial potential of JEMPERLI and brings significant non-dilutive funding to AnaptysBio," said Hamza Suria, president and chief executive officer of AnaptysBio. "Using our capital-efficient business model, AnaptysBio will continue to focus on advancing wholly-owned therapeutic antibodies to clinical data catalysts and the discovery of novel preclinical antibodies to emerging inflammation and immuno-oncology targets."

"We are thrilled to partner with AnaptysBio on this royalty transaction which reflects our confidence in JEMPERLI as a treatment for patients with certain endometrial and solid tumor cancers. Sagard's investment is aligned with our goal of accelerating biopharmaceutical innovation by providing our partners with flexible sources of financing," said Ali Alagheband, Partner at Sagard Holdings.

Upon closing of this transaction, which is anticipated by the end of 2021, Sagard will pay AnaptysBio $250 million upfront in exchange for royalties payable to AnaptysBio under its GSK collaboration on annual global net sales of JEMPERLI below $1 billion starting October 2021. The royalty rate applicable below the $1 billion annual net sales threshold is 8%. Sagard may also receive up to a total of $105 million in potential cash milestones, of which $15 million are subject to certain future JEMPERLI regulatory filing and approval milestones and up to $90 million are subject to certain commercial sales milestones due prior to JEMPERLI achieving the $1 billion in annual global net sales threshold.

Royalties payable above $1 billion JEMPERLI annual global net sales, which are paid by GSK at 12% to 25%, and certain milestones payable on annual sales at or above $1 billion are retained by AnaptysBio and are not subject to this Agreement. Royalties and milestones due upon development and commercialization of the AnaptysBio-generated anti-TIM-3 antagonist (cobolimab) or anti-LAG-3 antagonist (GSK4074386) antibodies under the GSK collaboration, including in combination with JEMPERLI, are also not subject to this Agreement. In addition, royalties due to AnaptysBio from GSK's global net sales of ZEJULA (niraparib) are excluded from this Agreement.

The aggregate JEMPERLI royalties and milestones to be received by Sagard under this Agreement is capped at certain fixed multiples of the upfront payment based upon time. Once Sagard receives an aggregate of either $312.5 million (125% of the upfront) by the end of 2026, or $337.5 million (135% of the upfront) during 2027 or $412.5 million (165% of the upfront) at any time after 2027, the Agreement will expire resulting in AnaptysBio regaining all subsequent JEMPERLI royalties and milestones. The closing of the transaction is subject to the satisfaction of customary closing conditions.

About JEMPERLI
Dostarlimab, the anti-PD-1 antagonist antibody commercially known as JEMPERLI, was generated by AnaptysBio using its proprietary somatic hypermutation (SHM) antibody platform and subsequently developed by TESARO, Inc., now a part of GSK, under a collaboration agreement. In April 2021, JEMPERLI was granted accelerated approval by the FDA for the treatment of certain adult patients with mismatch repair deficient (dMMR) endometrial cancer and conditional approval by the EMA for certain adult patients with dMMR or microsatellite instability-high (MSI-H) endometrial cancer. In August 2021, JEMPERLI was granted accelerated approval by the FDA for certain adult patients with dMMR solid tumors. JEMPERLI is also being developed by GSK for the treatment of other tumor types, including a currently ongoing phase III trial in first-line endometrial cancer (RUBY), an ongoing phase III trial with JEMPERLI and niraparib versus standard of care platinum-based therapy as first-line treatment of

ovarian cancer (FIRST), and Phase II trials in non-small cell lung cancer, colorectal cancer, cervical cancer, multiple myeloma and melanoma. In June 2021, GSK estimated potential peak annual global JEMPERLI sales on a non-risk adjusted basis of £1-2 billion pounds, which is currently equal to approximately $1.4-$2.8 billion, for currently approved indications and first-line use in endometrial and ovarian cancer only.

About AnaptysBio
AnaptysBio is a clinical-stage biotechnology company developing first-in-class antibody product candidates focused on unmet medical needs in inflammation. The Company's proprietary anti-inflammatory pipeline includes imsidolimab, its anti-IL-36R antibody, previously referred to as ANB019, for the treatment of dermatological inflammatory diseases, including generalized pustular psoriasis, or GPP, acne and hidradenitis suppurativa; rosnilimab, its anti-PD-1 agonist program, previously referred to as ANB030, for treatment of certain autoimmune diseases where immune checkpoint receptors are insufficiently activated; and its BTLA modulator program, ANB032, which is broadly applicable to human inflammatory diseases associated with lymphoid and myeloid immune cell dysregulation. AnaptysBio's antibody pipeline has been developed using its proprietary somatic hypermutation, or SHM platform, which uses in vitro SHM for antibody discovery and is designed to replicate key features of the human immune system to overcome the limitations of competing antibody discovery technologies. AnaptysBio has also developed multiple therapeutic antibodies in an immuno-oncology collaboration with GSK, including an anti-PD-1 antagonist antibody (JEMPERLI (dostarlimab-gxly) GSK4057190), an anti-TIM-3 antagonist antibody (cobolimab, GSK4069889) and an anti-LAG-3 antagonist antibody (GSK4074386), and an inflammation collaboration with Bristol-Myers Squibb, including an anti-PD-1 checkpoint agonist antibody (CC-90006) currently in clinical development.

About Sagard
Sagard is a multi-strategy alternative asset manager with more than US$8 billion under management and professionals located in Canada, the US, Europe and Asia. Sagard seeks attractive investment returns through a combination of flexible capital, entrepreneurial and disciplined culture and a unique global network of portfolio companies, limited partners, advisors and other valued relationships. Today, Sagard invests across four asset classes: private equity (Sagard Private Equity Canada, Sagard Europe, Sagard NewGen), private credit (Sagard Credit Partners), royalties (Sagard Healthcare Royalty Partners), and venture capital (Portage Ventures and our ecosystem partner, Diagram Ventures).

Forward-Looking Statements
This press release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including, but not limited to: expectations regarding the commercial potential and anticipated peak annual global sales of JEMPERLI, the timing and potential amount of milestones and royalty payments to be received under the GSK partnership and benefits expected from the agreement with Sagard. Statements including words such as "plan," "continue," "expect," or "ongoing" and statements in the future tense are forward-looking statements. These forward-looking statements involve risks and uncertainties, as well as assumptions, which, if they do not fully materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements are subject to risks and uncertainties that may cause the company's actual activities or results to differ significantly from those expressed in any forward-looking statement, including the risk that the transaction with Sagard may not close when expected, or at all, the risk that commercial sales of JEMPERLI may not reach expected levels, risks and uncertainties related to the company's ability to advance its product candidates, obtain regulatory approval of and ultimately commercialize its product candidates, the timing and results of preclinical and clinical trials, the company's ability to fund development activities and achieve development goals, the company's ability to protect intellectual property and other risks and uncertainties described under the heading "Risk Factors" in documents the company files from time to time with the Securities and Exchange Commission. These forward-looking statements speak only as of the date of this press release, and the company undertakes no obligation to revise or update any forward-looking statements to reflect events or circumstances after the date hereof.

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