BIOATLA ENTERS INTO STRATEGIC LICENSE AND OPTION AGREEMENT WITH PFIZER FOR A NEW CLASS OF ANTIBODY THERAPEUTICS

Tuesday, December 08, 2015 - 08:00am

Agreement combines BioAtla's Conditionally Active Biologic (CAB) antibodies with Pfizer's Proprietary ADC Payloads

Pfizer gains rights to BioAtla CAB immune checkpoint inhibitors targeting CTLA-4

SAN DIEGO, CA – December 8, 2015 – BioAtla LLC, a biotechnology company focused on the development of Conditionally Active Biologic (CAB) antibody therapeutics, today announced that it has entered into a license and option agreement with Pfizer Inc. (NYSE: PFE) to advance the development and commercialization of a new class of antibody therapeutics based on BioAtla's CAB platform and utilizing Pfizer's proprietary antibody drug conjugate (ADC) payloads.

Under the agreement, BioAtla and Pfizer will each have a license to the other's respective technology to pursue the development and commercialization of several CAB-ADC antibodies. Pfizer also gains an exclusive option to develop and commercialize BioAtla CAB antibodies that target CTLA4, a validated immuno-oncology target in humans. If successful, BioAtla's technology would allow the selective targeting of CTLA4 expressed on immune cells localized in the tumor microenvironment. BioAtla and Pfizer are both eligible to receive milestone payments and royalties based on individual CAB-ADC antibody candidates developed and commercialized by the other party. Including the CTLA4 option and license, BioAtla is eligible to receive a potential total of more than $1.0 billion in up-front, regulatory and sales milestone payments as well as tiered marginal

royalties reaching double digits on potential future product sales.

CAB-ADC antibodies aim to address the inherent limitations of current ADC antibody technology by actively binding to antigens expressed on tumor tissue-resident cancer cells, but not to the same antigens expressed on normal cells in non-diseased tissues. If successful, this approach would allow the preferential targeting of tumor tissues by ADCs, thereby increasing the efficacy-safety ratios of CAB-ADCs relative to their conventional counterparts. The use of CAB antibodies as payload delivery vehicles could dramatically increase the number of tumor-associated antigens that are addressable with ADC technology.

“CAB-ADC antibodies and CAB immune checkpoint inhibitors such as those targeting CTLA-4 can potentially improve current therapies and enable combination immuno-oncology treatments for many cancers. This agreement combines the therapeutic effectiveness of Pfizer’s clinically validated ADC technology with the safety and expansive receptor applicability of BioAtla CAB antibodies,” said Jay M. Short, Ph.D., co-founder, president, chief executive officer and chairman of the board of BioAtla. “We are enthusiastic about working with Pfizer to develop these novel products with strategic importance in building BioAtla’s portfolio of proprietary products.”

“This agreement between Pfizer and BioAtla provides an exciting opportunity to further explore innovative and potentially breakthrough technologies in the treatment of human cancers,” said Bob Abraham, Senior Vice President and Head of Pfizer’s Oncology-Rinat Research & Development Group. “By leveraging the unique capabilities of the two companies, we hope to advance our mission to deliver safer and more effective medicines to our patients.”

About Conditionally Active Biologics (CABs) BioAtla’s patent protected CAB platform represents a disruptive technology for the development of a powerful new class of biologic therapeutics that are activated in selected microenvironments within the body, such as those associated with all cancerous tumors. CAB proteins 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. CAB proteins are generated using BioAtla’s proprietary protein discovery, evolution, screening and expression technologies. These proteins can be mAbs, enzymes and other proteins designed with functions dependent on changes in microphysiological conditions.

Studies have shown that cancerous tumors create highly specific conditions at their site that are not present in normal tissue. These cancerous microenvironments are in part a result of the well-studied, unique glycolytic metabolism associated with cancer cells. CAB-designed mAbs can be engineered to deliver their therapeutic payload (CAB-ADCs) and/or recruit the immune response in specific and selected locations and conditions within the body. 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 OptimizationTM (CIAO) technology that allows every step of development and screening of antibody variants through final CAB lead selection to be conducted in the mammalian cell type to be used in manufacturing.

About BioAtla, LLC BioAtla is a global biotechnology company with operations in San Diego, California, and Beijing, China. BioAtla develops novel monoclonal antibody and other protein therapeutic products with more selective targeting, greater efficacy, and more cost-efficient and predictable manufacturing. By utilizing its proprietary technologies of product design and development, from target discovery to manufacturing and preclinical studies, BioAtla develops differentiated, patentable therapeutic proteins for its partners and for its internal programs. BioAtla has over 100 patents issued and pending that cover its platform technologies representing a full complement of therapeutic protein development capabilities. Learn more at www.bioatla.com.

# # #

Contact: Richard Waldron Chief Financial Officer BioAtla LLC rwaldron@bioatla.com 858.356.8945