

Novaliq and Jiangsu Hengrui Medicine announce a strategic collaboration in ophthalmology for the EyeSol®-based investigational products NOV03 and CyclASol® in China

- Jiangsu Hengrui Medicine secures exclusive rights to develop, manufacture, and commercialize NOV03 and CyclASol® in China.
- NOV03 (perfluorohexyloctane) is a first-in-class investigational drug with a novel mode of action to treat Dry Eye Disease (DED) associated with Meibomian gland dysfunction (MGD).
- CyclASol® (0.1% cyclosporine A in EyeSol®) is an anti-inflammatory and immunomodulating investigational drug developed for the treatment of aqueous deficient DED.
- Novaliq is eligible to receive upfront and milestone payments of up to \$165 million plus royalties

Heidelberg, Germany – Nov 8, 2019 - Novaliq GmbH, a pharmaceutical company focusing on first- and best-in-class ocular therapeutics, and Jiangsu Hengrui Medicine Co., Ltd. (SSE: 600276), a fully integrated biopharmaceutical company based in China, announce today the closing of an exclusive license agreement to develop, manufacture, and commercialize the innovative, water-free drugs NOV03 and CyclASol® for the treatment of dry eye disease in People’s Republic of China (including mainland China, Hong Kong, Macau and Taiwan).

Dry eye disease (DED) is a chronic and serious disease of the ocular surface that negatively impacts quality of life comparably to other severe diseases. Patients present symptoms such as feeling of dryness, burning, foreign body sensation or pain and report impairment of social functioning. Visual function-related manifestations including fluctuating vision with blinking, blurred vision and difficulty with reading despite normal visual acuity are important and underestimated aspects of the disease.

86% of patients with dry eye show signs of Meibomian gland dysfunction (MGD). NOV03 (perfluorohexyloctane) is being developed as a treatment for patients with dry eye disease associated with Meibomian gland dysfunction and has a novel mode of action that has been confirmed in various studies. Several clinical trials have demonstrated that NOV03 stabilizes the tear film lipid layer and protects from excessive evaporation. In addition, it has been shown to penetrate into the meibomian glands and liquefy secretions there, improving the quality of the meibum and the tear film lipid layer. NOV03 is being developed in phase 3 for the treatment of dry eye disease associated with Meibomian gland dysfunction (MGD) in the USA.

CyclASol® is an anti-inflammatory investigational drug for patients with moderate to severe DED with an inflammatory disease component. CyclASol® contains cyclosporine A 0.1% in EyeSol® and holds the promise of unfolding cyclosporine A’s full potential on the ocular surface enabling clinicians to treat more patients successfully. CyclASol® is in phase 3 development for the treatment of dry eye disease in the USA.

Both investigational drugs have shown in their recent late-stage clinical trials superior efficacy results, with an early onset of action and an excellent tolerability profile. They are perceived as breakthrough medicines for dry eye patients worldwide with an unprecedented benefit-risk profile.

“Dry eye disease is common in China, but treatment options are very limited in China. We are committed to serving this unmet need and feel excited about the partnership with Novaliq, a leading company in ophthalmology with the world’s first water-free eye drop platform. We shall work closely together with Novaliq to allow patients in China to benefit from this platform.” said Piaoyang Sun, Chairman of the Board of Hengrui Medicine.”

“We are excited about this strategic collaboration with Jiangsu Hengrui Medicine. We believe that Jiangsu Hengrui Medicine, as a leading biopharmaceutical company in China, is the ideal partner for us to maximize the commercial potential of our innovative products NOV03 and CyclASol® in the Chinese market” said Christian Roesky, PhD, CEO of Novaliq. “With great benefits in terms of efficacy and tolerability, NOV03 and CyclASol® can make a huge difference to the life of dry eye patients. We look forward to working with the team of Jiangsu Hengrui Medicine to bring these breakthrough medicines, if approved, to physicians and patients in the 2nd biggest healthcare market in the most timely, efficient and effective way possible”.

Under the terms of the agreement, Novaliq is eligible to receive an upfront payment of up to \$9 million and up to \$156 million in milestone payments linked to pre-defined development, regulatory and commercialization objectives. In addition, Jiangsu Hengrui Medicine will be obligated to pay Novaliq tiered percentage royalties on net sales of NOV03 and CyclASol® in China. Thus, Jiangsu Hengrui Medicine secures exclusive rights to develop, manufacture, and commercialize both drugs in China. Jiangsu Hengrui Medicine will be responsible for all development, regulatory and commercialization activities and related expenses in the territory.

About Jiangsu Hengrui Medicine Co., Ltd.

Jiangsu Hengrui Medicine Co., Ltd. established in 1970, is a leading biopharmaceutical company based in China with annual net sales of about \$2.5 billion in 2018. Hengrui is devoted to empowering healthier lives through research, with capabilities across oncology, immunology, anesthesiology, cardiovascular diseases, metabolic diseases, and pain management. Hengrui has more than 140 clinical trials ongoing worldwide and an in-house sales force covering more than 18,000 hospitals in China.

About Novaliq

Novaliq is a pharmaceutical company focusing on the development and commercialization of first- and best-in-class ocular therapeutics based on EyeSol®, the worldwide first water-free eye drop technology. Novaliq offers an industry-leading portfolio addressing today’s unmet medical needs of millions of patients with eye diseases. Novaliq is headquartered in Heidelberg, Germany and has an office in Cambridge, MA, USA. The long-term shareholder is dievini Hopp BioTech holding GmbH & Co. KG, an active investor in Life and Health Sciences companies. More on www.novaliq.com.

Important notice: NOV03 and CyclASol® are investigational new drugs. NOV03 & CyclASol® are in late stage clinical evaluation in the US with an open IND by the US Food and Drug Administration.

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