Strategic Collaboration between CStone and Pfizer

September 2020

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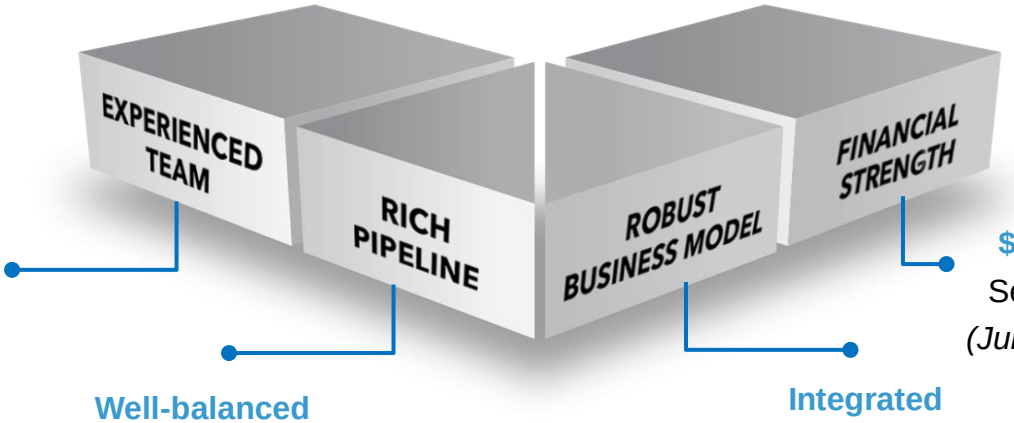
基石药业
CSTONE
PHARMACEUTICALS

To Become **Globally** Recognized as the **Leading Chinese** Biopharma

4 Years Since Company Inception

HKEx listed
2616.HK



Industry-leading
management team

Well-balanced
oncology portfolio with a focus on immuno-oncology and precision medicine with **5+ NDA submissions** in 2020

Integrated
biopharma with clear focus on clinical development, fast ramp-up of manufacturing capability, and transitioning into commercial stage

$150M Series A *(July 2016)* + **$262M** Series B *(May 2018)* + **$328M** HK IPO *(Feb 2019)*

Note: NDA = New Drug Application

Rapid progress towards commercialization

Expect 5+ NDA approvals for 4 products by 2021

- Robust positive-readout for 3 pivotal trials
  - Sugemalimab in Stage IV NSCLC, pralsetinib in RET 2L NSCLC, avapritinib in PDGFRA exon 18 GIST
- Materially de-risked CStone's late-stage assets

Ivosidenib (IDH1 inhibitor)	Avapritinib (KIT/PDGFRA inhibitor)	Pralsetinib (RET inhibitor)	Sugemalimab (PD-L1 antibody)
IDH1 r/r AML	PDGFRA exon 18 GIST	RET 2L NSCLC	1L Stage IV NSCLC (squamous & non-squamous)
Taiwan, China Singapore	*Mainland China Taiwan, China*	*Mainland China Taiwan, China*	*Mainland China*

NDA regions

Note: r/r = relapsed or refractory; AML= Acute Myeloid Leukemia; GIST = Gastrointestinal Stromal Tumor; NSCLC = Non-small Cell Lung Cancer

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Transaction overview

A strategic and multifaceted collaboration with Pfizer, a leading multinational biopharmaceutical company

Equity investment: $200mm

- Pfizer to invest $200mm in CStone for use in research and development, at approximately HK$13.37 per share
- Pfizer to own 9.90% of CStone's enlarged capital post transaction

1 China commercialization of sugemalimab

- Pfizer to **in-license sugemalimab (PD-L1 antibody)** from CStone, a potential best-in-class PD-L1 antibody, in mainland China
- In addition to the equity investment premium, CStone is entitled to receive **up to $280mm** in milestone payments and tiered, **mid-to-high teens** royalties

2 Co-development of Pfizer's assets

- CStone and Pfizer to together select **post proof-of-concept ("POC") oncology assets** for co-development, for which CStone will lead clinical development and Pfizer will lead commercialization in Greater China
- CStone to receive **low double-digit royalties** for Pfizer's assets

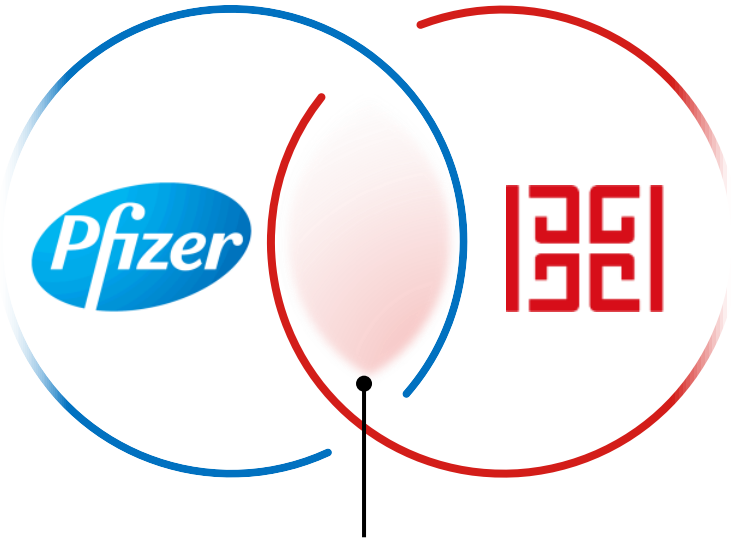
3 Joint in-licensing of global innovative drugs

- CStone and Pfizer to **jointly in-license other oncology therapies for Greater China market**
- CStone and Pfizer to determine responsibilities on an asset-by-asset basis, while retaining an **option for CStone to participate in co-promotion**

A collaboration based on complementary strengths

Pfizer

- A global pharmaceutical leader with prestigious brand value
- Extensive commercialization network in China
- Leading oncology franchise with robust pipeline of drug candidates



CStone

- An emerging leader in the biopharmaceutical industry in China
- Sugemalimab, a commercial-ready, potential best-in-class PD-L1 asset for large indications
- Superior clinical capabilities with strong execution

Synergistic Collaboration

Long-term collaboration solidified through equity investment

Faster and broader commercialization of sugemalimab in China

Competitive platform for in-licensing deals to allow rapid expansion of pipeline

Compelling financial benefits and strategic rationale

Significant Financial Benefits

- Bolsters CStone's ability to fund development of sugemalimab
- Frees resources to focus on broader strategic development objectives

Maximizing Potential of Sugemalimab in China; Retaining Ex-China Rights

- Boosts the addressable market of sugemalimab by harnessing Pfizer's industry leading commercialization capabilities in China
- CStone to retain all development and commercialization rights of sugemalimab outside mainland China

Innovative Collaboration Model

- Framework for CStone and Pfizer to collaborate on co-development and joint in-licensing in ways that leverage each other's strengths
- Additional source of innovation secured for pipeline development of both companies

Advancing CStone into a Fully Integrated Biopharma

- Further built on a well-established clinical engine and rapidly ramped-up manufacturing capability, this transaction will enhance:
  - CStone's capability to execute Pipeline 2.0 strategy with dual sourcing of innovation focusing on first-in-class and best-in-class assets with global rights
  - CStone's capability of building a full-fledged commercial organization with near-term ambitions to reach "critical mass"

Importance for the Patient Community

- Patients to obtain faster and broader access to a highly differentiated PD-L1 treatment and future first-in-class and best-in-class treatments
- CStone to become a key player in addressing China's critical public health needs

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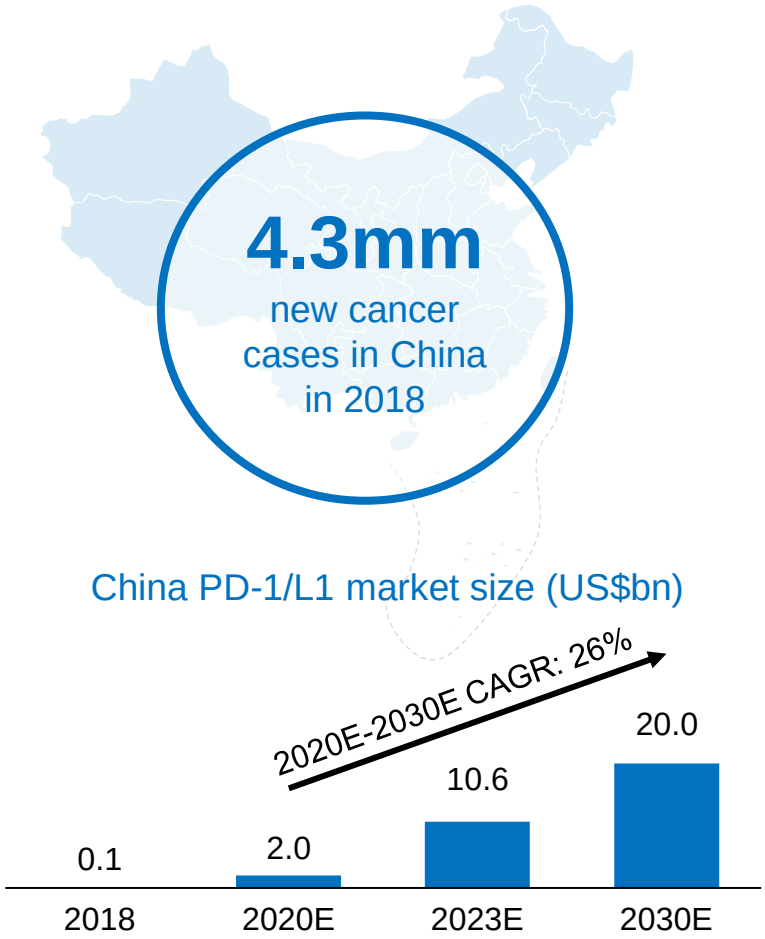
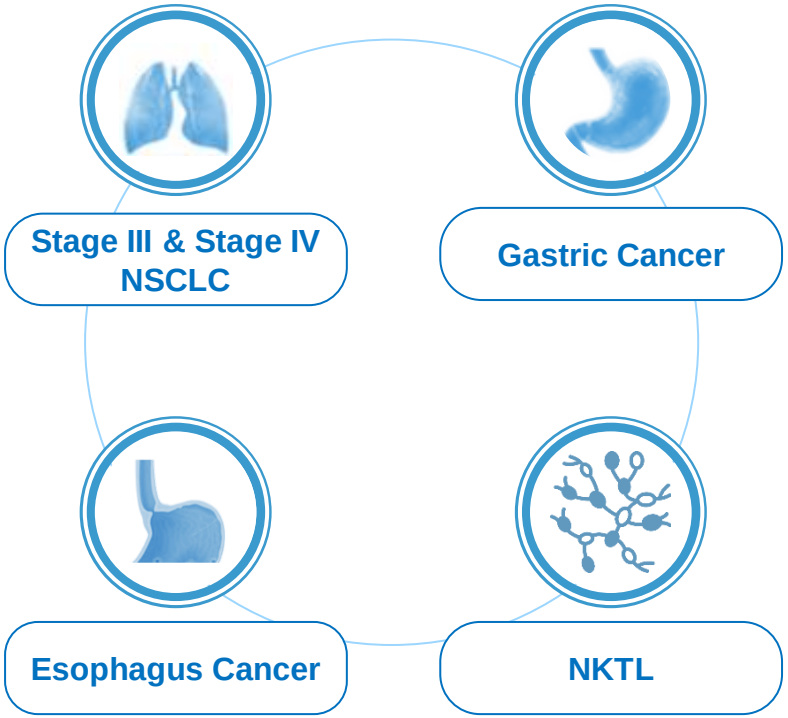
1 China commercialization of sugemalimab

Sugemalimab is strategically positioned in large oncology indications in China

PD-(L)1 is a huge and burgeoning market in China



Sugemalimab's indication coverage includes high-incidence indications in China



Note: NKTL = Natural killer /T-cell lymphoma
Source: Globocan 2018, Frost & Sullivan

1 China commercialization of sugemalimab

Pfizer is the ideal partner to maximize commercial success of sugemalimab in China

Four key success factors to win in this market

- Proven leading commercial capability in China
- Broad and deep coverage in local market
- Established commercial relationship with hospitals
- Rich experience in NRDL negotiation

Pfizer's leading oncology franchise in China

Note: [1] Breast cancer, lung cancer, renal cell carcinoma, gastrointestinal cancer, and hematology

2 Co-development of Pfizer's assets

Fully leveraging synergistic strengths of CStone and Pfizer

By leveraging CStone's clinical development capability and Pfizer's commercialization capability, both parties will together bring innovative oncology therapies to the patient community in China

Collaboration framework

CStone to lead development activities

+

Pfizer to lead commercial activities

- **Near-term timeline clearly defined**
- **Post POC assets only in the scope**
- **Low double-digit royalties on Pfizer's assets**

Leverages each company's strengths

CStone

- ✓ **Proven execution excellence in clinical development**
- ✓ **Deep knowledge of regulatory pathway and oncology market in China**

Pfizer

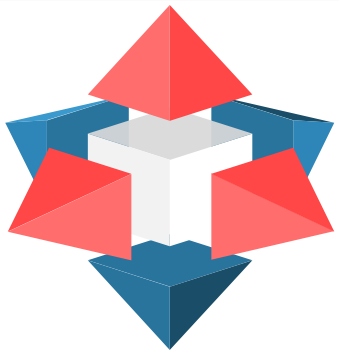
- ✓ **Expansive commercialization infrastructure in China**
- ✓ **Exceptional multi-national brand**
- ✓ **Rich pipeline of oncology assets**

Note: POC = proof-of-concept

3 Joint in-licensing of global oncology assets

Maximizing in-licensing competitiveness for highly sought-after opportunities

- *An innovative collaboration model between a China biotech and a MNC*
- *Target highly sought-after, late-stage or commercial stage assets*



- **Proven track record of in-licensing late-stage, global first-in-class assets in China market**
- **Exceptional brand value and China commercial capabilities**

Advantages of joint in-licensing model

- ✓ **Complementary strengths and portfolio synergies to maximize financial return**
- ✓ **Potential for CStone to participate in commercialization**
- ✓ **Flexibility maintained to in-license and commercialize separately**

Note: MNC = multinational corporation

Significance of the collaboration to CStone

1. *Significant financial benefits from $200mm equity investment at approximately HK$13.37 per share, up to $280mm milestone payments and additional tiered royalties*
2. *Maximizes commercial potential of sugemalimab, a potential best-in-class PD-L1 antibody in China*
3. *Further solidifies clinical development leadership in China with additional avenues for cash flow generating arrangement*
4. *Vote of confidence by a MNC in a leading China biotech platform*
5. *Allows patients faster access to a highly differentiated PD-L1 treatment*

Note: MNC = multinational corporation

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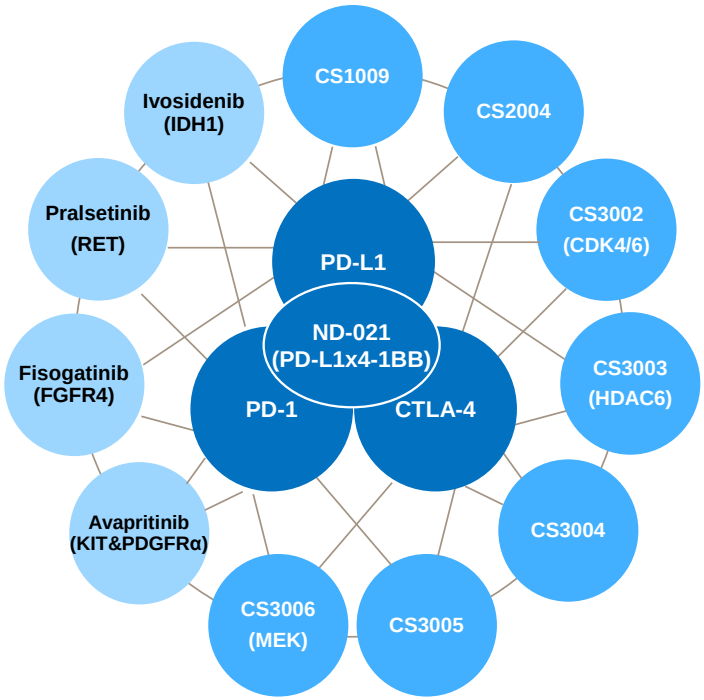
The strategic deal enhances our ability and resources to pursue our winning portfolio strategy

Differentiated combo strategy



Leader in precision medicine for the China market

- **Ivosidenib** (IDH1 inhibitor)
- **Avapritinib** (KIT/PDGFRA inhibitor)
- **Pralsetinib** (RET inhibitor)
- **Fisogatinib** (FGFR4 inhibitor)

Pipeline 2.0 to fuel sustained growth

Dual sources of innovation with 4 focus areas

- FIC/FW or BIC multispecific mAbs/scaffolds
- TME modulators to maximize PD-(L)1 efficacy
- Cancer vaccines
- Novel pathway inhibitors

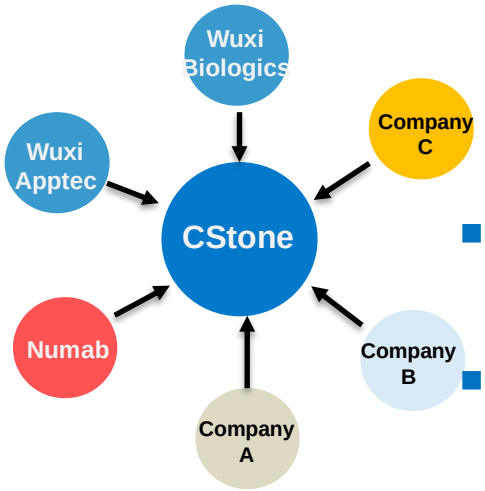
Note: FIC = first-in-class; FW = first-wave; BIC = best-in-class; TME = tumor microenvironment

Better equipped to execute pipeline 2.0 with dual sourcing of innovation focusing on FIC / BIC assets with global rights

1 Internal Research

CStone research model – "**Hub & Spoke**":

40 INDs delivered for 12 assets since company's formation



- A fully integrated research team composed of cancer biology, pharmacology, DMPK/Tox and bioinformatics. All functional leaders have over 10 years' experience in drug discovery and IND filing
- CStone initiates projects, identifies targets and leads the process from lead identification to IND
- Leverage leading technology platforms from CROs or biotech partners for lead discovery and optimization

2 Partnerships

- Proven track record of licensing global FIC / BIC assets
- Active partnership discussions anticipated to come to fruition in near future

Johns Hopkins University | Michigan | Numab Drug Innovators | 蘇州大學

Upcoming for pipeline 2.0

- Multiple targets identified and having on-going discussions with platform partners
  - Multi-specifics
  - Target B
  - …

Strong pipeline of potential partnerships

- ADC
- Novel fusion protein
- Cancer vaccine

Note: FIC = first-in-class; BIC = best-in-class; ADC = antibody-drug conjugate

Further solidified clinical development leadership in China

Early stage

Transition to late stage

1 Asset

Fisogatinib (FGFR4)

- Global FIC
- Explore registration pathway for mono

Advance to combination POC

5 Combos

- CS1002 (CTLA-4) + CS1003 (PD-1)
- Fisogatinib + CS1003
- Donafenib + sugemalimab
- Regorafenib+ Sugemalimab / CS1003
- NM-1480 (PD-L1/4-1BB/HSA)

Continue to identify mono RP2D

2 Assets

- CS3005 (A2a)
- CS3002 (CDK4/6)

Late stage

2 potential BIC I/O assets

6 Indications

- Sugemalimab (PD-L1)
- CS1003 (PD-1)

3 FIC / FTC precision medicines

7 Indications

- Pralsetinib (RET)
- Avapritinib (PDGFRA)
- Ivosidenib (IDH1)

New post-POC assets under Pfizer co-development

Additional assets

- Asset 1
- Asset 2
- More to come…

Note: FIC = first-in-class; POC = proof-of-concept; RP2D = recommended phase 2 dose; BIC = best-in-class; FTC = first-to-China

State-of-the-art manufacturing facility to secure supply for sugemalimab and other CStone assets

- **CStone will be responsible for manufacturing sugemalimab and commercial supply to Pfizer [1]**

Full operation

Roof-sealing of the main building

1H2020 — **Commencement of the construction**

1 billion tablets for small molecules

26,000L for biologics

Planned building area of approximately **100,000 sqm**

Compliance with GMP requirements in China and globally

R&D | Pilot Plant | Full Commercial Scale Manufacturing

Strategic partnership with WuXi Biologics Global Solution Provider on clinical and commercial stage manufacturing

Note: [1]Subject to the terms and conditions set forth in the Collaboration Agreement

Clear strategy towards building a full-fledged commercial organization with near-term ambitions to reach "critical mass"

Stage 1 (2020)

Develop "Full-Fledged" commercial organization

- **Strategically** out-license sugemalimab in mainland China
- Focus on launching precision medicines. **Bo'ao EAP** precision medicine pilot program in Hainan
- Commercial organization with **core competencies and team** ready by 2020 year end

Stage 2 (in 3-5 years)

Reach "Critical Mass" with strong commercial platform

- **Oncology focused** portfolio with 3+ precision medicine and multiple I/O combos
- Well-established sales team with broad hospital coverage in China
- Commercial **partnership with global company** for value creation, pipeline assets with **ex-China rights** in hand
  - I/O: sugemalimab, CS1003 (PD-1), CS1002 (CTLA-4)
  - Precision medicine: CDK4/6, A2aR, etc.

Stage 3 (beyond)

Achieve "Global Vision":

To become **globally** recognized as the **leading Chinese** biopharma

Note: I/O = immuno-oncology; EAP = early access program

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Thank you!