



Auransa Enters into Exclusive Licensing Agreement with China Oncology Focus Limited, an Affiliate of Lee's Pharmaceutical Holdings, for Rights to AU018 in Greater China and Southeast Asia

Auransa to Receive Upfront Payment and be Eligible for Milestone Payments and Sales Royalties for Preclinical Program Identified by Company's AI-Driven SMarTR™ Engine

China Oncology Focus to Receive Rights to Develop and Commercialize Novel Cardioprotective Agent for Chemotherapy Patients

PALO ALTO, CA, AND HONG KONG – December 19, 2018 – Auransa, Inc., an artificial intelligence (AI)-driven pharmaceutical company developing precision medicines in areas of significant unmet medical need, and China Oncology Focus Limited (“COF”), an affiliate of Lee's Pharmaceutical Holdings Ltd. (“Lee's Pharma”), today announced that the companies have entered into a licensing agreement granting COF exclusive rights to develop and commercialize AU018 in China and other countries of Southeast Asia. Under terms of the agreement, Auransa will receive an upfront payment, potential future milestone payments and high single digit royalties on future net sales. In total, Auransa is eligible to receive up to \$22.5 million upon successful attainment of key milestones.

AU018, which is currently in preclinical development, is a potentially best-in-class cardioprotective agent intended to be paired with chemotherapy in the treatment of cancer. The compound was identified by Auransa's SMarTR™ Engine, the company's powerful AI-driven computational platform, as part of a project designed to discover drugs capable of mitigating the cardiotoxicity associated with the chemotherapeutic agent doxorubicin, without inhibiting its anti-cancer activity. Once identified by the SMarTR™ Engine, traditional drug discovery activities undertaken by Auransa's scientific team confirmed that AU018 possessed the target cardioprotective therapeutic profile, highlighted by its ability to correct pathways associated with oxidative and cellular stress, mitochondrial dysfunction and RNA splicing. Further supporting its potential therapeutic activity, preclinical evaluations of AU018 in human induced pluripotent stem cell (iPSC)-derived heart cell models demonstrated the compound's potential to reverse the cardiac toxicity molecular signature in the heart without interfering with anti-tumor activity of doxorubicin.

“This agreement with China Oncology Focus provides critical validation for the ability of our SMarTR Engine to leverage large collections of available data to identify non-obvious compound candidates for specific therapeutic applications. While AU018 is the first program we have out-licensed, our platform's unprecedented predictive power has already been harnessed to build a broad internal pipeline of novel drug candidates with the potential to address large diseases with significant unmet needs,” stated Pek Lum, Ph.D., chief executive officer of

Auransa. “We are pleased to reach this agreement with an affiliate of Lee’s Pharma, a company that is highly regarded as a leader in the development and commercialization of novel pharmaceuticals in China. The company’s interest in AU018 not only demonstrates the compound’s potential value but also the key market opportunity in China for a cardioprotective agent that can be paired with doxorubicin to provide effective chemotherapy without cardiotoxicity.”

“While doxorubicin is a key chemotherapeutic agent in the treatment of cancer in China, the serious cardiotoxicity associated with its use has the effect of limiting its overall adoption by oncologists. Accordingly, we believe there is a significant market opportunity for a compound such as AU018 which can potentially be paired with doxorubicin, as currently prescribed, to mitigate the chemotherapy’s damaging cardiac effects. In addition to addressing the currently sizable doxorubicin market, AU018 also has the potential to trigger significant expansion in doxorubicin utilization by eliminating the cardiotoxic barrier of use for the treatment,” said Dr. Benjamin Li, chief executive officer of COF. “We are very happy to reach this agreement with Auransa and look forward to initiating our development of AU018 in China.”

Doxorubicin is a well-established anthracycline chemotherapeutic agent that is commonly used for the treatment of a broad range of cancers including AIDS-related Kaposi Sarcoma, multiple myeloma, breast cancer, liver cancer, thyroid cancer, acute myeloblastic leukemia, bladder cancer, neuroblastoma, osteosarcoma, ovarian cancer, among others. Despite significant cardiotoxicity effects associated with doxorubicin and the anthracycline class of agents, the drug is still widely used around the world due to its potent anti-cancer activity, particularly in the areas of breast and liver cancer. Significant growth in cancer prevalence worldwide, coupled with the China’s position as one the world’s largest prescription pharmaceutical markets, highlight a large unmet medical need that can be addressed by AU018 in China and its surrounding territories.

COF will be responsible for funding and conducting all remaining preclinical and clinical activities required to gain regulatory approval for AU018 in China and the surrounding territories. As part of the agreement, Auransa will have rights to access and use any AU018 data generated by COF as part of its development and commercialization efforts. Additionally, the company will retain rights to AU018 for all markets outside the scope of this agreement, providing opportunities for additional out licensing agreements for the program.

About Auransa

Founded in 2014, Auransa is an artificial intelligence (AI)-driven pharmaceutical company developing precision medicines in areas of significant unmet medical need. The company is working to redefine precision medicine by combining a sophisticated, proprietary predictive computational platform with traditional pharmaceutical industry experience. The company's SMarTR™ Engine, which leverages machine learning, advanced analytics and mathematics in an AI framework, and its CTSeek™ liquid biopsy diagnostic technology, generate insights from molecular data for a deep understanding of disease biology and patient subtypes. This information, when paired with the company's breadth of in-house drug discovery and development expertise, drives the identification of novel compounds designed to most effectively address significant unmet medical needs for clinically meaningful disease subtypes. The company has successfully generated a broad pipeline of drug candidates including programs addressing cancer, neurology, inflammation, infectious disease and metabolic disease that are advancing toward investigational new drug (IND) filings. For more information, please visit: www.auransa.com.

About China Oncology Focus Limited (“COF”)

China Oncology Focus Limited (COF) founded in 2015, is an Affiliate of Lee's Pharmaceutical Holdings Ltd. (“Lee's Pharma”) and a clinical development stage company focused in oncology with emphasis in immune oncology. The lead products, Pexa-vec (oncolytic virus) is in global Phase III clinical trial for advanced HCC as a first-line treatment and PD-L1 monoclonal antibody (check-point inhibitor) in Phase I clinical trial in China for solid tumors with highly unmet medical need. COF has built a strong pipeline of 9 assets through internal development and in-licensing. The diversity of its products creates a unique position for the company to use immune oncology as backbone therapy in combination with in house products and develop potential paradigm-shifting treatment for cancer.

About Lee's Pharmaceutical Holdings Ltd. (“Lee's Pharm”)

Lee's Pharm is a research-based biopharmaceutical company listed in Hong Kong with over 20 years' operation in China's pharmaceutical industry. It is fully integrated with strong infrastructures in drug development, manufacturing, sales and marketing. It has established extensive partnerships with over 20 international companies and currently has 17 products in the market place. Lee's Pharm focuses on several key disease areas such as cardiovascular diseases, oncology, gynecology, dermatology and ophthalmology. Lee's Pharm's development program is lauded with more than 50 products stemming from both internal R&D efforts and collaborations with US, European and Japanese companies and aspires to combat diseases such as liver cancer and pulmonary hypertension. The mission of Lee's Pharm is to become a successful biopharmaceutical group in Asia providing innovative products to fight diseases and improve health and quality of life.

Additional information about the Group is available at www.leespharm.com.

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