



Zai Lab and Crescendo Biologics Enter Exclusive Worldwide License Agreement for Innovative Protein Therapeutics for Inflammatory Indications

Candidate to expand Zai Lab's early-stage R&D programs, with an anticipated IND Filing for clinical studies in psoriasis in 2019

Shanghai, and Cambridge, UK, May 30, 2018 — Zai Lab Limited (NASDAQ: ZLAB), a Shanghai-based innovative biopharmaceutical company, and Crescendo Biologics Ltd (Crescendo Biologics), the developer of multi-functional biologics, announced today an exclusive, worldwide licensing agreement under which Zai Lab will develop, commercialize, and manufacture a topical, innovative antibody V_H domain therapeutic for potential application in inflammatory indications. Crescendo Biologic's product candidate was developed using Crescendo's transgenic platform, which generates novel small, robust, and potent protein therapeutics based on fully human V_H domain building blocks. Zai Lab anticipates filing an IND for this therapeutic candidate for clinical studies in psoriasis in 2019.

"Biologics-based therapies are increasingly effective in psoriasis and other skin conditions, but are often associated with treatment-limiting immunosuppressive side effects," **commented Harald Reinhart, M.D., Chief Medical Officer, Autoimmune and Infectious Diseases at Zai Lab.** "We see a clear benefit with topically administered dermatologic preparations which offers strong clinical efficacy and potentially safer for chronic administration."

Peter Pack, CEO of Crescendo Biologics, commented, "We are pleased to sign this agreement with Zai Lab, a foremost developer of innovative medicines across diverse therapeutic areas where there are substantial unmet needs in global markets. We're delighted with the pace and efficiency of Zai Lab's plan to develop clinical proof of concept with our Humabody®. Crescendo Biologics is dedicated to advancing therapies with enhanced efficacy and improved safety profiles, and we believe there are significant synergies for our approach with the Zai Lab pipeline of autoimmune programs."

Under the terms of the agreement, Crescendo Biologics has granted to Zai Lab a worldwide exclusive license to develop and commercialize its drug candidate for all indications. Zai Lab will be responsible for conducting all regulatory filings, clinical studies, and commercialization activities, with both companies participating in a Joint Development Committee. Zai Lab has made an upfront cash payment to Crescendo Biologics and will provide development, regulatory, and commercial milestones for multiple indications. Crescendo Biologics will also be eligible to receive tiered royalties on global sales.

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About Crescendo Biologics

Crescendo Biologics is a biopharmaceutical company developing potent, truly differentiated Humabody® therapeutics in oncology with a proprietary pipeline focus on innovative targeted T-cell approaches.

At the heart of its proprietary pipeline, Crescendo Biologics has developed CB307, a novel bispecific PSMA-targeted T-cell engager for the selective activation of tumour-specific T-cells exclusively within the tumour microenvironment, thereby avoiding systemic toxicity. This highly modular format can be re-



configured to create a pipeline of multiple therapeutic candidates each treating a different cancer indication, by targeting any of a range of alternative tumour-specific markers.

The Company's ability to develop multi-functional Humabody[®] therapeutics is based on its unique, patent protected, transgenic mouse platform generating 100% human V_H domain building blocks (Humabody[®] V_H). These robust molecules can be configured to optimally engage therapeutic targets delivering novel biology and superior biodistribution. This results in larger therapeutic windows compared to conventional IgG-approaches.

Crescendo Biologics is pursuing novel Humabody[®]-based product opportunities, through in-house development and strategic partnerships, including multi-functional immuno-oncology modulators and Humabody[®] Drug Conjugates (HDCs), the next generation of ADCs. Humabody[®]-based formats can also be applied across a range of non-cancer indications.

Crescendo Biologics is located in Cambridge, UK, and is backed by blue-chip investors including Sofinnova Partners, Andera Partners, IP Group, Takeda Ventures, Quan Capital, Astellas and EMBL ventures.

For more information, please visit the website: www.crescendobiologics.com

About Zai Lab

Zai Lab (NASDAQ:ZLAB) is a Shanghai-based innovative biopharmaceutical company focused on bringing transformative medicines for cancer, autoimmune and infectious diseases to patients in China and around the world. Zai Lab's experienced team has secured partnerships with leading global biopharma companies, generating a broad pipeline of innovative drug candidates targeting the fast-growing segments of China's pharmaceutical market and global unmet medical needs. Zai Lab's vision is to become a fully integrated biopharmaceutical company, discovering, developing, manufacturing and commercializing its partners' and its own products in order to impact human health worldwide.

Zai Lab Forward-Looking Statements

This press release includes certain disclosures which contain "forward-looking statements," including, without limitation, statements regarding the progress, clinical study timing and potential applications of its licensed Humabody[®] therapeutic candidate. You can identify forward-looking statements because they contain words such as "anticipate" and "expected." Forward-looking statements are based on Zai Lab's current expectations and assumptions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that may differ materially from those contemplated by the forward-looking statements, which are neither statements of historical fact nor guarantees or assurances of future performance. Important factors that could cause actual results to differ materially from those in the forward-looking statements are set forth in Zai Lab's Annual Report on Form 20-F for the fiscal year ended December 31, 2017, and its other filings with the



Securities and Exchange Commission. Zai Lab undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

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