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BeiGene announces global strategic oncology collaboration with Amgen

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Amgen to purchase approximately $2.7 billion of BeiGene shares



BeiGene, Ltd. and Amgen have announced a global strategic oncology collaboration for the commercialization and development in China of Amgen's XGEVA® (denosumab), KYPROLIS® (carfilzomib), and BLINCYTO® (blinatumomab), and the joint global development of 20 oncology assets in Amgen's pipeline, with BeiGene responsible for development and commercialization in China. In connection with the collaboration, Amgen will purchase a 20.5% stake in BeiGene for approximately $2.7 billion in cash at $174.85 per American Depositary Share (ADS).

"Through this collaboration, Amgen, a true biotech pioneer and leader in our industry, has recognized the transformative potential of BeiGene's unique clinical development capabilities to accelerate global drug development. We are thrilled to join forces with Amgen to realize the development and commercialization of this broad oncology pipeline with the aim of benefitting patients around the world," said John V. Oyler, Co-Founder, CEO, and Chairman of BeiGene. "In addition, this alliance expands the portfolio available to our market-leading China commercial team, led by Dr. Xiaobin Wu, with the potential to bring as many as eight internally discovered and in-licensed innovative treatments to cancer patients by the end of 2020."

"This strategic collaboration with BeiGene will enable Amgen to serve significantly more patients by expanding our reach in the world's most populous country. We've chosen an innovative strategic collaborator that can offer commercial and clinical reach with global quality standards," said Robert A. Bradway, Amgen's chairman and chief executive officer. "Cancer is a leading cause of death in China and will only become a more pressing public health issue as the Chinese population ages. We look forward to working with BeiGene to make a meaningful difference in the lives of millions of cancer patients in China and around the world."

Key elements of the collaboration include:

Commercialization of Approved Products in China:

- Under the agreement, BeiGene will commercialize XGEVA, KYPROLIS and BLINCYTO in China for five or seven years, during which time the parties will equally share profits and losses. Following the commercialization period, BeiGene will have the right to retain one product and will be entitled to receive royalties on sales in China for an additional five years on the products not retained; and
- XGEVA (denosumab) was approved in China in 2019 for patients with giant cell tumor of the bone and is in development for prevention of skeletal-related events in cancer patients with bone metastases. KYPROLIS (carfilzomib) is in late-stage development in China for patients with multiple myeloma, and BLINCYTO (blinatumomab) is in late-stage development in China as a treatment for adult patients with relapsed or refractory acute lymphoblastic leukemia (ALL).

Global Clinical Development:

- BeiGene has agreed to jointly develop 20 Amgen oncology pipeline assets globally, which include targeted small-molecule agents such as AMG 510, a first-in-class investigational KRAS G12C inhibitor, as well as BiTE® (Bispecific T cell Engager) antibodies, for solid and hematologic malignancies;
- Amgen and BeiGene will co-fund global development costs, with BeiGene contributing up to $1.25 billion worth of development services and cash over the term of the collaboration. BeiGene is entitled to receive royalties from global sales of each product outside of China, with the exception of AMG 510;
- For each pipeline asset that is approved in China, BeiGene will receive commercial rights for seven years from approval, during which time the parties will share equally in profits and losses. BeiGene is also entitled to receive royalties from sales in China for five years after the seven-year commercial term; and
- BeiGene will also have the right to retain approximately one of every three approved pipeline assets, up to a total of six, other than AMG 510, for commercialization in China, during which time the parties will share in profits and losses.

Amgen has agreed to purchase approximately $2.7 billion of BeiGene ordinary shares, at a price of $174.85 per ADS, a 36% premium to BeiGene's 30-day volume-weighted average share price as of October 30, 2019. Amgen will receive one seat on BeiGene's Board of Directors.