



ADC Therapeutics and Adagene Announce License Agreement

ADC Therapeutics to develop next-generation masked antibody drug conjugates (ADCs), incorporating Adagene's SAFEbody™ technology, with potential utility across multiple tumor types

Collaboration enables focus on targets in which healthy tissue expression precludes development of ADCs incorporating traditional antibodies

Lausanne, Switzerland and Suzhou, China, April 24, 2019 – ADC Therapeutics, an oncology drug discovery and development company that specializes in the development of proprietary antibody drug conjugates (ADCs), and Adagene Inc., an antibody engineering and discovery company, today announced that they have entered into a discovery collaboration and license agreement. ADC Therapeutics will use Adagene's SAFEbody™ technology to generate a masked antibody that will be combined with ADC Therapeutics' pyrrolobenzodiazepine (PBD) cytotoxic payload technology for the development of a novel ADC against a solid tumor target.

Adagene has developed the SAFEbody technology to produce masked antibodies that are activated to bind to an antigen in the tumor microenvironment by factors present in tumor tissues but not in healthy tissues. This enables enhanced specificity for targeting of an ADC and minimizes off-target toxicity on healthy cells, potentially enhancing the therapeutic index of the ADC.

"The SAFEbody technology requires specific conditions within the tumor microenvironment to unleash the ADC's full therapeutic potential," said Patrick van Berkel, Senior Vice President of Research and Development at ADC Therapeutics. "Combining a SAFEbody with highly potent PBD-based payloads will allow us to develop potent new tumor-specific ADCs that depend on the unique conditions in the local tumor microenvironment for full activation."

ADC Therapeutics has entered into the agreement with Adagene for one exclusive target, with the option to leverage SAFEbody technology for one additional exclusive target. Both potential programs will focus on targets in which healthy tissue expression does not permit development of ADCs incorporating traditional antibodies.

Under the terms of the agreement, Adagene will receive research funding for the discovery phase. Upon success of the discovery collaboration, Adagene will receive an upfront payment, development and commercial milestone payments, and royalties on net sales. ADC Therapeutics has granted Adagene certain commercial rights for Greater China. No other financial terms were disclosed.

"We are very pleased to partner our SAFEbody technology with ADC Therapeutics," said Peter Luo, Chief Executive Officer and Co-Founder of Adagene. "Adagene's innovative protein engineering ability enables us to tailor-make products to limit their on-target off-tumor toxicity. Together with ADC Therapeutics' experience in developing ADCs with highly potent PBD payloads, we have the potential to unlock new treatment options for patients with unmet medical needs."

"We're excited to collaborate with Adagene to work toward the next generation of masked ADCs," said Chris Martin, Chief Executive Officer at ADC Therapeutics. "As we continue evaluating our potent ADCs in ongoing clinical trials, we look forward to exploring how Adagene's SAFEbody technology

incorporated in our ADCs may enable us to further improve anti-tumor activity while minimizing side effects.”

About ADC Therapeutics

ADC Therapeutics SA is an oncology drug discovery and development company that specializes in the development of proprietary antibody drug conjugates (ADCs) targeting major hematological malignancies and solid tumors. The Company’s ADCs are highly targeted biopharmaceutical drugs that combine monoclonal antibodies specific to surface antigens present on particular tumor cells with a novel class of highly potent pyrrolobenzodiazepine (PBD)-based warheads via a chemical linker. The Company has five PBD-based ADCs in ongoing clinical trials, ranging from first in human to pivotal Phase II, in the USA and Europe, and a deep pipeline of other preclinical ADCs in development. ADC Therapeutics reported encouraging clinical data, including acceptable safety profiles and strong single-agent anti-tumor activity from its ongoing Phase I trials of ADCT-402 (loncastuximab tesirine) and ADCT-301 (camidanlumab tesirine) in multiple subtypes of lymphoma at the 60th American Society of Hematology (ASH) Annual Meeting. ADC Therapeutics has world-class partners, including AstraZeneca and its global biologics research and development arm, MedImmune. The Company is based in Lausanne (Biopôle), Switzerland and has operations in London, San Francisco and New Jersey. For more information, visit www.adctherapeutics.com.

About Adagene

Adagene (Suzhou, China and San Francisco, California) is a clinical stage biotech company with innovative antibody discovery and engineering technologies. By utilizing its proprietary Dynamic Precision Library Platform (DPL) and SAFEbody technologies, Adagene is showcasing its exceptional antibody engineering capabilities building franchises of second and third-generation antibody products. Adagene’s lead program, ADG106, is a CD-137 agonist currently in phase I in US and China. Adagene is backed by top tier global venture funds including F-Prime Capital Partners, Eight Roads Ventures, Wuxi Pharmatech Healthcare Fund I L.P., GP Healthcare Capital, New World TMT Ltd and Sequoia China. The company has raised over \$85 million through its series A to C financing.

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