Impact Biomedicines Closes $90 Million Financing with Oberland Capital to Fund Fedratinib Program Advancement

Financing follows successful study of fedratinib in patients with myelofibrosis who were resistant or intolerant of ruxolitinib published in The Lancet Haematology

SAN DIEGO — October 26, 2017— Impact Biomedicines ("Impact") today announced the closing of a $90 million structured financing with Oberland Capital to advance the development, global supply chain build out, and future commercialization of fedratinib, a potent and highly selective oral small molecule JAK2 kinase inhibitor that is being developed initially for the treatment of myelofibrosis (MF) and polycythemia vera (PV). This funding decision follows the publication of the compelling clinical results from the JAKARTA-2 trial in the Lancet Haematology[1], the first study of fedratinib in patients with myelofibrosis who were resistant to or intolerant of ruxolitinib treatment.

"We have been clear about our intentions at Impact to bring fedratinib to the patients who need it as quickly as possible. This financing with Oberland Capital paves the way with the financial resources we need to pursue our plans," said John Hood, Ph.D., Chief Executive Officer of Impact Biomedicines.

The financing involves two milestone-based payments of $20 million each from Oberland Capital. In exchange for the payments, Oberland will receive predefined fedratinib royalties. If fedratinib is approved by the U.S. Food and Drug Administration (FDA), Impact will be able to draw down an additional $35 to $50 million in predefined notes from Oberland to support the launch and commercialization of fedratinib.

"Our investment in Impact Biomedicines aligns with our strategy of investing in commercial stage or near-commercial stage

biopharmaceutical companies with differentiated product candidates being led by experienced management teams," stated Andrew Rubinstein, Managing Partner of Oberland Capital. "We are delighted to be partnering with Impact to help bring such an important product candidate to market."

"This financing is unique in that it will provide Impact incremental financing as it is needed and gives us flexibility with regard to our commercial strategy for fedratinib without the need for a large dilutive upfront capital raise," added Charlie McDermott, President and Chief Business Officer of Impact Biomedicines.

This support by Oberland was partially fueled by data published in the Lancet Haematology[1], which details results from the JAKARTA-2 trial, a Phase 2 multicenter, open-label study evaluating safety and efficacy of fedratinib in 97 adult patients with intermediate or high-risk myelofibrosis who were resistant to or intolerant of ruxolitnib. There is no currently approved therapy for these patients so the need for effective agents to treat them is very high. The primary endpoint was spleen response (>35% reduction in spleen volume as determined by blinded magnetic resonance imaging (MRI) or computerized tomography (CT)) and the secondary endpoint was symptom response (≥50% reduction in total symptom score as determined using the myelofibrosis symptom assessment form). In the trial, patients received oral fedratinib at a starting dose of 400 mg once-daily for 6 consecutive 28-day cycles.

This Phase 2 study met its primary endpoint and suggests that patients with ruxolitinib-resistant or intolerant myelofibrosis, which is associated with a low 5-year survival rate, achieved significant clinical benefit with fedratinib. The study demonstrated that of 83 evaluable patients, 46 (55.4%) achieved a spleen response, the highest reported splenic response rate observed for any agent in myelofibrosis trials to date. This includes 29/55 (52.7%) ruxolitinib-resistant and 17/27 (63.0%) ruxolitinib-intolerant patients. In patients with baseline platelet counts of 50–100$(10)^9$ and >100$(10)^9$/L, spleen response rates were 61.3% (19/31) and 51.9% (27/52), respectively. Common grade 3/4 adverse events were anemia and thrombocytopenia.

“The results from this study are very encouraging because it shows that fedratinib has robust benefit for the large number of ruxolitinib-resistant or intolerant patients who have no viable second line treatment options,” said Catriona Jamieson, M.D., Ph.D., Interim Chief Medical Officer of Impact Biomedicines. “It is our hope that fedratinib will be able to offer these patients a second chance.”

The only FDA-approved drug on the market for myelofibrosis is ruxolitinib. However, while it has shown to reduce splenomegaly and constitutional symptoms, a substantial number of patients either might not achieve the desired benefit or lose response over time. In clinical trials to date, 58-71% of patients treated with ruxolitinib failed to achieve the primary endpoint of ≥35% reduction in spleen volume at 24 weeks assessed by MRI or CT.[2,3] Furthermore, the three-to-five-year discontinuation rate with ruxolitinib is over 50%.

About Oberland Capital
Oberland Capital is an investment firm focused exclusively on the healthcare industry specializing in flexible, non-dilutive investment structures customized to meet the specific capital requirements and strategic objectives of transaction partners globally. The firm offers a broad suite of financing solutions including the monetization of royalty streams, acquisition of future product revenues, creation of project-based financing structures, and investment in debt and equity securities. The firm was founded by Jean-Pierre Naegeli and Andrew Rubinstein. For more information, please visit www.oberlandcapital.com.

About Impact Biomedicines
Impact Biomedicines (“Impact”) is pioneering the development of life changing treatments for patients with complex cancers. The Company’s pipeline is centered around fedratinib, a potent and highly selective oral small molecule JAK2 kinase inhibitor that is being developed initially for the treatment of myelofibrosis (MF) and polycythemia vera (PV).

---

[1] Harrison CN, Schaap N, Vannucchi AM, et al. Janus kinase-2 inhibitor fedratinib in patients with myelofibrosis previously treated with ruxolitinib (JAKARTA-2): a single-arm, open-label, non-randomised, phase 2, multicentre study. Lancet Haematol. 2017 Jul;4(7):e317-e324.
[2]Verstovsek S, Mesa RA, Gotlib J, et al. A double-blind, placebo-controlled trial of ruxolitinib for myelofibrosis. N Engl J Med 2012; 366(9): 799-807.

[3]Harrison C, Kiladjian JJ, Al-Ali HK, et al. JAK inhibition with ruxolitinib versus best available therapy for myelofibrosis. N Engl J Med 2012; 366(9): 787-98.

Media Contact:
Cammy Duong
MacDougall Biomedical Communications
781-591-3443
cduong@macbiocom.com