



Arbutus and Qilu Pharmaceutical Enter into an Exclusive Licensing Agreement and Strategic Partnership to Develop and Commercialize AB-729 in mainland China, Hong Kong, Macau and Taiwan

Torreya advised Arbutus on the transaction

Warminster, PA & Jinan, China, December 23, 2021

Arbutus Biopharma Corporation (Nasdaq: ABUS, "Arbutus"), a clinical-stage biopharmaceutical company dedicated to developing a cure for people with chronic hepatitis B virus (HBV) infection, and Qilu Pharmaceutical ("Qilu"), one of the leading pharmaceutical companies in China, today entered into an exclusive licensing agreement and strategic partnership for the development and commercialization of AB-729 for the treatment or prevention of hepatitis B in mainland China, Hong Kong, Macau and Taiwan.

Under the terms of the agreement, Arbutus will receive a \$40 million upfront payment and will be entitled to additional payments of up to \$245 million upon reaching certain development, regulatory and sales milestones. The above amounts are net of withholding taxes. Qilu will be responsible for funding all development and commercialization activities for mainland China, Hong Kong, Macau and Taiwan. Arbutus is also entitled to receive double-digit tiered royalties up to the low twenties percent on annual net sales. In addition, Qilu will make a \$15 million equity investment in Arbutus common shares at a price of \$4.19 per share, a 15% premium of Arbutus' previous 30-day average closing stock price calculated from December 10, 2021.

Torreya represented Arbutus on this transaction, which is one of the largest phase 2 licensing transactions to China to date. Torreya has advised on 18 transactions involving Chinese pharmaceutical companies since January 2018.

ABOUT ARBUTUS BIOPHARMA CORPORATION:

For more information about Arbutus, please see: www.arbutusbio.com

ABOUT QILU PHARMACEUTICAL:

For more information about Qilu, please see: www.qilu-pharma.com

Deal Press Release



Exclusive licensing and strategic partnership for AB-729 in China with



**\$55 million (upfront + equity)
+ \$245 million in milestones**
December 2021

Torreya Contacts

JIE LIU

Managing Director | New York Office

jie.liu@torreya.com | 917.683.4003 | [BIO](#)

Torreya is a global advisory firm serving the life sciences industry. Please visit torreya.com for more information. Securities offered in the United States are offered through Torreya Capital LLC, Member FINRA/SIPC. Torreya Partners LLC is a Delaware Limited Liability Company while Torreya Partners (Europe) LLP is a limited liability partnership, registered in England and Wales, registered number OC362930. Registered office: 15 Stratford Place, London W1C 1BE. Torreya Partners (Europe) LLP is authorized and regulated by the Financial Conduct Authority. The information contained in the email and/or its attachments is confidential and/or privileged and is for the sole use of the intended recipient(s). If you are not the intended recipient, please notify the sender immediately by reply and immediately delete this message and all its attachments. Any review, use, reproduction, disclosure or dissemination of the message or any attachment by an unintended recipient is strictly prohibited. Neither this message nor any attachment is intended as or should be construed as an offer, solicitation or recommendation to buy or sell any security or other financial instrument. This communication is for informational purposes only. All investments involve risks including loss of principal invested. Past performance does not guarantee future results or success. Torreya Capital and its representatives do not provide tax or legal advice and each tax and financial situation is unique. Investors should consult their tax and/or legal advisor for advice and information concerning their particular situation.