X-Chem Enters Strategic Collaboration with Bristol-Myers Squibb

WALTHAM, Mass. – December 18, 2018 – X-Chem, Inc., a privately held biotechnology company focused on applying its industry-leading DNA-encoded (DEX™) library drug discovery engine to the generation of novel small molecule therapeutics, today announced the signing of a broad strategic drug discovery collaboration with Bristol-Myers Squibb. The collaboration will enable the discovery of novel lead compounds for complex drug targets of interest to Bristol-Myers Squibb from both X-Chem's ever-expanding collection of DNA-encoded DEX libraries and from exclusive, custom libraries to be synthesized by X-Chem using proprietary building blocks and innovative designs provided by Bristol-Myers Squibb.

Under the terms of this multi-year agreement, X-Chem will receive up-front payment for target screening and custom library synthesis and Bristol-Myers Squibb receives an option to license compounds identified during the first stage of this collaboration. X-Chem is entitled to potential payments upon achievement of pre-clinical, development, and regulatory milestones in addition to royalties based on sales of products resulting from the use of the technology.

"We are pleased to renew our collaboration with Bristol-Myers Squibb to leverage both X-Chem's DEX technology, as well as Bristol-Myers Squibb's strengths in target biology and chemistry, in seeking new treatments for human diseases," said Rick Wagner, Ph.D., Chief Executive Officer of X-Chem. "This agreement fosters our mission to broadly apply our DEX technologies across the industry toward the discovery of medicines that will ultimately transform patients' lives."

About X-Chem's DNA-Encoded (DEX) Libraries and Platform

X-Chem's DEX drug discovery engine is based on a collection of DNA-encoded libraries comprising over 120 billion unique small molecules derived from iterative combinatorial chemistry processes, where the identity of each compound is recorded in a linked DNA barcode. The pooled libraries are used in low volume, affinity-based screening against biological targets, whereby ligands are 'fished out' and identified via DNA sequencing. Innovations in library design, screening methodologies, and bioinformatics underlie the exceptional performance of the DEX platform. The use of previously inaccessible chemical reactions and atom-efficient synthesis schemes generate maximal diversity and rule-of-five compliance. Parallel screens, either varying target concentration or including off-targets, mutants or known ligand competitors, allow for insight

into the potency, mechanism of action, and specificity of putative hits. Proprietary statistical and bioinformatics tools identify multiple clusters of related molecules with emergent structure-activity relationships. These innovations underpin X-Chem's success against difficult and intractable targets that have failed in conventional screening, and have generated over 100 lead series licensed by X-Chem's partners including fragments, low molecular weight heterocycles, macrocycles, and irreversible covalent electrophiles.

About X-Chem

X-Chem, Inc. is a privately-owned biotechnology company based in Waltham, Massachusetts. The company's mission is to apply its powerful product engine to the discovery of small molecule leads against high-value therapeutic targets. X-Chem has established partnerships with AbbVie, Alexion, Almirall, Bristol-Myers Squibb, AstraZeneca, Bayer, Department of Defense/Harvard, Gilead, Janssen, MD Anderson Cancer Center, Ono, Otsuka, Pfizer, Roche, Sanofi, Taiho Pharma, Vertex, and several other leading pharmaceutical companies, biotechnology organizations, and academic centers. For further information on X-Chem, please visit: http://www.x-chemrx.com/.

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