March 17th, 2025
Taiho Pharmaceutical Co., Ltd.
Araris Biotech AG

Taiho Pharmaceutical to Acquire Next-Generation ADC Drug Discovery Company Araris Biotech

Taiho Pharmaceutical Co., Ltd. (hereinafter "Taiho Pharmaceutical") and Araris Biotech AG (hereinafter "Araris"), a Swiss biotechnology company developing next-generation antibody drug conjugates (ADCs), announced today that they have entered into a definitive agreement pursuant to which Taiho Pharmaceutical will fully acquire Araris (hereinafter "the Acquisition"). Following necessary procedures, the Acquisition is expected to be completed in first half of 2025. The Acquisition follows a research collaboration between Taiho Pharmaceutical and Araris signed in November 2023.

Under the terms of the agreement, Taiho Pharmaceutical will pay USD 400 million at closing, with the potential for additional milestone payments of up to USD 740 million.

Araris is a spin-off company of the Paul-Scherrer-Institute in Switzerland and pioneering the development of best-in-class ADCs with superior design, high linker solubility and simple manufacturing that address the shortcomings of current generation ADCs. ADCs are designed to selectively deliver cytotoxic drugs (payloads) to cancer cells by attaching them to antibodies that bind specifically to cancer cells through linkers. Foundational to its approach is its novel, proprietary ADC linker platform AraLinQ™. This platform has generated highly uniform, stable and potent ADC therapeutic candidates that have demonstrated a wider range of safety and increased antitumor effect compared to conventional ADCs in preclinical studies.[i,ii]
Furthermore, Araris is advancing three products for the treatment of hematological and solid tumors developed using its unique AraLinQ™ technology, which are currently in the preclinical stage. These products are anticipated to enter into clinical trials between 2025 and 2026.

Taiho Pharmaceutical, in addition to antimetabolites, has established and created novel drugs through its proprietary small molecule drug discovery platform, Cysteinomix, enhancing cancer treatment and contributing to patient care. By acquiring Araris' innovative ADC drug discovery technology platform along with Cysteinomix, Taiho Pharmaceutical will further expand its ongoing development portfolio in the field of oncology.

Masayuki Kobayashi, President and Representative Director of Taiho Pharmaceutical commented, "We are very pleased to have entered into this agreement with Araris. AraLinQ™ is an innovative technology that enables next-generation ADC drug discovery. We are confident that the addition of Araris' knowledge, experience and technology platform in ADC drug discovery, as well as its development pipeline, will lead to further expansion and strengthening of Taiho's drug discovery capabilities and portfolio. Going forward, together with Araris, we will strive to develop innovative drugs that can contribute to patients globally."

Dragan Grabulovski, CEO and Co-founder of Araris commented, "Araris' unique ADC technology represents a quantum leap for the ADC field, potentially offering precise payload delivery of multiple mechanisms of action simultaneously to the tumor, with less toxicity. We are proud to combine with Taiho, our partner since November 2023, whose significant cancer expertise will support us in turbo-charging the clinical development of our potent ADC candidates in hematological and solid tumors."

Dima Kuzmin, Managing Partner of 4BIO Capital and Chairman of Araris, added: "This acquisition validates Araris' position as one of the most exciting ADC companies in the market. Having worked with Araris closely during its collaboration, Taiho knows the potential of Araris' proprietary AraLinQ™ technology and is best placed to accelerate these transformative treatments to patients."

With the Acquisition, Araris will become a wholly owned subsidiary of Taiho Pharmaceutical and will continue its business, research and development activities at its current location in Zurich, Switzerland.

About AraLinQ™

AraLinQ™ is Araris' linker technology, which enables site-specific payload attachment to a privileged attachment site on a specific amino acid (Q295) within the antibody IgG-Fc framework. When a payload is attached to this site, the antibody still maintains nearly identical performance (e.g. pharmacokinetics and effector functions) to the unconjugated, original antibody. Furthermore, the linker-payload is connected to the antibody through a very strong peptide bond resulting in exceptional stability in the blood stream and therefore, avoidance of healthy tissue damage. However, once entering a cancer cell via antibody mediated internalization, the linker can be easily broken to release the payload and kill the cancer cell. All three of these properties are key factors to enable the most efficient payload delivery and maximum ADC efficacy.

AraLinQ™ linkers are hydrophilic, rendering them soluble in water-based solutions like blood. Improved solubility leads to decreased clumping, allowing the ADC to properly bind to cancerous cells without the need to further edit the antibody/payload structures. In addition, this linker can have unique branching structures which makes it possible to create ADCs that carry multiple payloads of different types. AraLinQ™ can also generate ADCs in one step using "off-the-shelf" antibodies that are native or engineered. The process is fast, cost-efficient and can be easily upscaled without the need for custom antibody synthesis.

Advisors

MTS Health Partners, L.P is serving as a financial advisor and Wilson Sonsini Goodrich & Rosati PC and Homburger AG is serving as the legal advisor for Taiho Pharmaceutical. Centerview Partners UK LLP is serving as financial advisor to Araris, and Cooley LLP and BGPartner Ltd are serving as legal advisors.

About Araris Biotech AG

Araris Biotech is a leading company pioneering the future of antibody-drug conjugates (ADCs) and redefining the entire paradigm of targeted cancer therapy and beyond. It is a spin-off company of the Paul-Scherrer-Institute (part of ETH domain) in Switzerland, with Dr. Philipp Spycher, Dr. Isabella Attinger-Toller and Dr. Dragan Grabulovski among its founders. Araris' vision is a world without chemotherapy and its proprietary conjugation and groundbreaking multi-payload technology represents a quantum leap forward in ADC design, enabling the transformation of any antibody into an ADC with the goal of better safety and efficacy. By enabling the attachment of multiple, synergistic cancer-fighting payloads to a single antibody in an efficient one-step process, Araris is creating a new generation of smart missiles that deliver the potency of combination chemotherapy in a targeted fashion in order to tackle the persistent challenges of cancer resistance. Araris' investors include 4BIO Capital, b2venture, Pureos Bioventures, Redalpine, Schroders Capital, VI Partners, Wille AG, Institute for Follicular Lymphoma Innovation and Samsung Ventures. For more information, please visit: www.ararisbiotech.com

About Taiho Pharmaceutical Co., Ltd.

Taiho Pharmaceutical, a subsidiary of Otsuka Holdings Co., Ltd. (https://www.otsuka.com/en/), is an R&D-driven specialty pharma focusing on the fields of oncology and immune-related diseases. Its corporate philosophy takes the form of a pledge: "We strive to improve human health and contribute to a society

enriched by smiles.” In the field of oncology, in particular, Taiho Pharmaceutical is known as a leading company in Japan for developing innovative medicines for the treatment of cancer, a reputation that is rapidly expanding through their extensive global R&D efforts. In areas other than oncology, as well, the company creates and markets quality products that effectively treat medical conditions and can help improve people’s quality of life. Always putting customers first, Taiho Pharmaceutical also aims to offer consumer healthcare products that support people’s efforts to lead fulfilling and rewarding lives. For more information about Taiho Pharmaceutical, please visit https://www.taiho.co.jp/en/

References

i. Attinger-Toller I. et al. "*Abstract 2910: A CD79b-targeting ADC with superior efficacy in preclinical models of non-Hodgkin lymphoma." Cancer Research*. 2022;82(12 Supplement):2910. Available from: https://aacrjournals.org/cancerres/article/82/12_Supplement/2910/700373/Abstract-2910-A-CD79b-targeting-ADC-with-superior. Last accessed: March 12, 2025.

ii. Attinger-Toller I. et al. "*Abstract LB124: Targeting NaPi2b with a novel dual-action ADC." Cancer Research*. 2024;84(7 Supplement):LB124. Available from: https://aacrjournals.org/cancerres/article/84/7_Supplement/LB124/742173/Abstract-LB124-Targeting-NaPi2b-with-a-novel-dual. Last accessed: March 12, 2025.