Merus and Simcere Announce Strategic Collaboration on Multiple Bispecific Antibodies

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UTRECHT, Netherlands and NANJING, China, Jan. 08, 2018 (GLOBE NEWSWIRE) -- Merus (Nasdaq:MRUS) and Simcere Pharmaceutical Group today announced that Merus has agreed to grant Simcere an exclusive license to develop and commercialize in China three bispecific antibodies utilizing Merus' proprietary Biclonics ® technology platform in the area of immuno-oncology. Merus will retain all rights outside of China.

Under the terms of the agreement, Merus has agreed to lead research and discovery activities while Simcere has agreed to be responsible for the Investigational New Drug (IND) enabling studies, clinical development, regulatory filings and commercialization of these product candidates in China. As a key strategic component of the collaboration, Simcere will be responsible for IND enabling studies and manufacturing of clinical trial materials in China, which Merus intends to use to assist regulatory filing and early stage clinical development in the rest of the world.

"We believe this collaboration leverages Merus' unique platform and Biclonics® suite of technologies with Simcere's drug development experience and strong commercial presence in China," said Ton Logtenberg, Ph.D., Chief Executive Officer of Merus. "For Merus, this represents an important step towards becoming a commercial-stage company with a strong pipeline of differentiated bispecific antibodies in immuno-oncology. There is a clear strategic fit between the two companies and we believe that by combining our collective expertise and resources, we will be able to develop innovative therapeutics in the China market and globally."

"We are very excited about the collaboration with Merus," said Mr. Jinsheng Ren, Chairman and CEO of Simcere. "Simcere is committed to developing innovative therapeutics for the Chinese market. This collaboration provides Simcere access to Merus' leading bispecific antibody platform and has the potential to introduce multiple first-in-class immuno-oncology therapeutics in the Chinese market. The opportunity allows us to leverage our capability, expertise and investment in China to support the development of innovative bispecific antibodies in the global markets."

Merus will be eligible to receive upfront and milestone payments contingent upon Simcere achieving certain specified development and commercial goals. Merus will be eligible to receive tiered royalty payments on sales of any products resulting from the collaboration in China from Simcere. Simcere will be eligible to receive tiered royalty payments on sales outside of China from Merus. Additional financial details were not disclosed.

About Simcere Pharmaceutical Group

Simcere is a research and development-driven Chinese pharmaceutical company committed to bringing high quality and more effective therapies to patients by combining in house R&D with partnerships. Simcere focuses its efforts on therapeutic areas of oncology, neurology, inflammation/immunology, cardiovascular and infectious diseases.

Simcere is dedicated to research & development of innovative pharmaceuticals and branded generic drugs in China, with a State Key Lab of Translational Medicine and Innovative Drug Development. By leverage of its commercial capability, all top products of the company have leading market share in China.

By leveraging partnering experience with multinational pharmaceutical companies and innovative biotech companies, Simcere continues to advance international medical scientific achievements transformation and create value for partners in China.

For more information, visit www.simcere.com, or contact yan.ma@simcere.com

About Merus N.V.

Merus is a clinical-stage immuno-oncology company developing innovative full-length human bispecific antibody therapeutics, referred to as Biclonics®. Biclonics®, which are based on the full-length IgG format, are manufactured using industry standard processes and have been observed in preclinical studies to have similar features as conventional monoclonal antibodies, such as long half-life and low immunogenicity. Merus' most advanced bispecific antibody candidate, MCLA-128, is expected to soon be evaluated in a Phase 2 combination trial in two metastatic breast cancer populations. MCLA-128 is also being evaluated in a Phase 1/2 clinical trial in Europe in gastric, ovarian, endometrial and non-small cell lung cancers. Merus' second most advanced bispecific antibody candidate, MCLA-117, is being developed in a Phase 1 clinical trial in patients with acute myeloid leukemia. The Company also has a pipeline of proprietary bispecific antibody candidates in preclinical development, including MCLA-158, which is designed to bind to cancer stem cells and is being developed as a potential treatment for colorectal cancer and other solid tumors, as well as MCLA-145, which is designed to bind to PD-L1 and a non-disclosed second immunomodulatory target and is being developed in collaboration with Incyte Corporation. For additional information, please visit Merus' website, www.merus.nl.

Forward Looking Statement

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including without limitation statements regarding Merus' use of Simcere's IND enabling studies and manufacturing of clinical trial materials in China to assist regulatory filing and early stage clinical development of Merus' product candidates in the rest of the world, the collaboration leveraging Merus' unique platform and Biclonics® suite of technologies and Simcere's drug development experience and strong commercial presence in China, Simcere's drug development experience and commercial presence in China and its ability to leverage its capability, expertise and investment in China to support the development of innovative bispecific antibodies in the global markets, the potential of the collaboration to introduce multiple first-in-class immuno-oncology therapeutics in the Chinese market, the importance of the agreement towards Merus becoming a commercial-stage company, the strength of Merus' pipeline of differentiated bispecific antibodies in immuno-oncology, the strategic fit between the two companies, the ability of the companies to combine their collective expertise and resources to develop innovative therapeutics in the Chinese market and globally, Merus' eligibility to receive

payments contingent upon Simcere achieving certain specified development and commercial goals, and to receive tiered royalty payments based on sales in China from Simcere, the timing of commencing a Phase 2 combination trial for MCLA-128, and the treatment potential of Merus' product candidates.

These forward-looking statements are based on management's current expectations. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, the following: our need for additional funding, which may not be available and which may require us to restrict our operations or require us to relinquish rights to our technologies or Biclonics® and bispecific antibody candidates; potential delays in regulatory approval, which would impact our ability to commercialize our product candidates and affect our ability to generate revenue; the lengthy and expensive process of clinical drug development, which has an uncertain outcome; the unpredictable nature of our early stage development efforts for marketable drugs; potential delays in enrollment of patients, which could affect the receipt of necessary regulatory approvals; our reliance on third parties to conduct our clinical trials and the potential for those third parties to not perform satisfactorily; we may not identify suitable Biclonics® or bispecific antibody candidates under our collaboration with Incyte or Incyte may fail to perform adequately under our collaboration; our reliance on third parties to manufacture our product candidates, which may delay, prevent or impair our development and commercialization efforts; protection of our proprietary technology; our patents may be found invalid, unenforceable, circumvented by competitors and our patent applications may be found not to comply with the rules and regulations of patentability; we may fail to prevail in existing and potential lawsuits for infringement of third-party intellectual property; and our registered or unregistered trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks.

These and other important factors discussed under the caption "Risk Factors" in our Annual Report on Form 20-F filed with the Securities and Exchange Commission, or SEC, on April 28, 2017, and our other reports filed with the SEC, could cause actual results to differ materially from those indicated by the forward-looking statements made in this press release. Any such forward-looking statements represent management's estimates as of the date of this press release. While we may elect to update such forward-looking statements at some point in the future, we disclaim any obligation to do so, even if subsequent events cause our views to change, except as required under applicable law. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this press release.

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