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Terns Pharmaceuticals Announces Exclusive Licensing and Collaboration Agreement with GENFIT to Develop and Commercialize Elafibranor in the Greater China Region

-GENFIT partnership expands Terns' portfolio, adding a Phase 3 product with a complementary mechanism of action well-suited to combinations with Terns' NASH assets-

FOSTER CITY, Calif. & SHANGHAI--(BUSINESS WIRE)-- Terns Pharmaceuticals, Inc. today announced an exclusive licensing and collaboration agreement with GENFIT (GNFT), a late-stage biopharmaceutical company dedicated to the discovery and development of innovative therapeutic and diagnostic solutions in metabolic and liver-related diseases. Under the terms of the agreement, Terns acquires the exclusive right to develop, register, and market elafibranor for the treatment of non-alcoholic steatohepatitis (NASH) and primary biliary cholangitis (PBC) in Greater China (mainland China, Hong Kong, Macau, and Taiwan). GENFIT will receive a $35 million upfront payment and will be eligible to receive up to $193 million in subsequent payments, based on achieving clinical, regulatory, and commercial milestones. The two companies will also collaborate on research and development moving forward in NASH and PBC. These research and development efforts include potential combinations of elafibranor, a dual peroxisome proliferator-activated alpha/delta (PPAR α/δ) agonist, with Terns' development candidates, including TERN-101, a farnesoid X receptor (FXR) agonist, TERN-201, a semicarbazide-sensitive amine oxidase (SSAO) inhibitor, and their thyroid hormone receptor (THR) β-selective agonist and apoptosis signal-regulating kinase 1 (ASK1) inhibitor programs.

“Terns is committed to bringing new, innovative therapies for the treatment of liver disease to China and other global markets. Our partnership with GENFIT is a natural next step for us as a company,” said Weidong Zhong, Ph.D., Chief Executive Officer of Terns. “We believe combination therapy will rapidly become the standard of care for NASH treatment, and our strategy is based on this conviction. Elafibranor is a late-stage compound with a mechanism of action synergistic with those in our own pipeline, making it a perfect fit for our strategy to advance combination therapies for chronic liver disease. We're excited to add elafibranor to our portfolio, to expand our focus on liver disease to include PBC, and to gain a strong partner in GENFIT, a company that shares our focus on developing innovative treatments for liver disease.”

“The team at Terns has an extensive track record in drug development combined with the infrastructure to successfully develop, register and commercialize new therapies in Asia,” said Pascal Prigent, Executive Vice President of Marketing and Commercial Development at GENFIT. “We have great confidence in the company and its management team as we work to bring elafibranor to patients in Greater China and to collaborate on future R&D efforts and combination strategies.”

The licensing and collaboration agreement with GENFIT follows the 2018 announcement that Terns acquired the global, exclusive rights to develop and commercialize three NASH assets from Eli Lilly and Company. Collectively, these agreements demonstrate Terns' commitment to enhancing its pipeline through partnerships with regional and global companies, in addition to internal discovery efforts, to accelerate effective combination therapies for patients living with chronic liver disease.

About elafibranor

Elafibranor is GENFIT's lead pipeline product candidate. Elafibranor is an oral, once-daily, first-in-class drug acting via dual peroxisome proliferator-activated alpha/delta pathways developed to treat, in particular, nonalcoholic steatohepatitis (NASH), for which it has been granted Fast Track Designation. GENFIT believes, based on clinical results to date, that elafibranor has the potential to address multiple facets of NASH, including inflammation, insulin sensitivity, lipid/metabolic profile, and liver markers. Results from a Phase 3 study in patients with NASH is expected in the fourth quarter 2019. Phase 2 clinical trial results have also shown that elafibranor may be an effective treatment for PBC, a severe liver disease. Elafibranor was granted a Breakthrough Therapy Designation for this indication.

About NASH

Non-alcoholic steatohepatitis (NASH) is a severe form of non-alcoholic fatty liver disease (NAFLD), which is caused by the accumulation of excess fat in the liver. NASH is associated with chronic liver inflammation and liver cell injury, and it can lead to fibrosis, cirrhosis, and eventually liver cancer or liver failure. Global rates of NAFLD and NASH are increasing rapidly, in tandem with rising rates of obesity. There is currently no approved medication for the treatment of NASH.

About PBC

PBC is a chronic disease in which damage to bile ducts can inhibit the liver's ability to rid the body of toxins and can lead to scarring of liver tissue known as cirrhosis.

About Terns Pharmaceuticals

Terns Pharmaceuticals, Inc. is a clinical-stage pharmaceutical company that is focused on the discovery and development of medicines for chronic liver disease and cancer. Based in China and the United States, the company is advancing a pipeline of drug candidates for the treatment of non-alcoholic steatohepatitis (NASH) and cancer, across multiple modalities. Terns leverages world class expertise in disease biology, medicinal chemistry, and clinical development in order to bring promising new therapies to patients in China and other global markets.

For more information, visit www.ternspharma.com and www.ternspharma.com.cn

About GENFIT

GENFIT is a late-stage biopharmaceutical company dedicated to the discovery and development of innovative therapeutic and diagnostic solutions in metabolic and liver related diseases where there are considerable unmet medical needs, corresponding to a lack of approved treatments. GENFIT is a leader in the field of nuclear receptor-based drug discovery with a rich history and strong scientific heritage spanning almost two decades. Its most advanced drug candidate, elafibranor, is currently being evaluated in a pivotal Phase 3 clinical trial ("RESOLVE-IT") as a potential treatment for NASH, and GENFIT plans to initiate a Phase 3 clinical trial in PBC later this year following its positive Phase 2 results. As part of GENFIT's comprehensive approach to clinical management of NASH patients, the company is also developing a new, non-invasive and easy-to-access blood-based in vitro diagnostic test to identify patients with NASH who may be appropriate candidates for drug therapy. With facilities in Lille and Paris, France, and Cambridge, MA, USA, the Company has approximately 160 employees. GENFIT is a public company listed on the Nasdaq Global Select Market and in compartment B of Euronext's regulated market in Paris (Nasdaq and Euronext: GNFT). www.genfit.com

FORWARD LOOKING STATEMENTS

This press release contains certain forward-looking statements, including those within the meaning of the Private Securities Litigation Reform Act of 1995, with respect to GENFIT, including the potential to and success of commercialization of elafibranor in Greater China and the effect of new regulations in China to accelerate and facilitate drug approvals. The use of certain words, including "believe," "potential," "expect" and "will" and similar expressions, is intended to identify forward-looking statements. Although the Company believes its expectations are based on the current expectations and reasonable assumptions of the Company's management, these forward-looking statements are subject to numerous known and unknown risks and uncertainties, which could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking statements. These risks and uncertainties include, among other things, the uncertainties inherent in research and development, including related to safety, biomarkers, progression of, and results from, its ongoing and planned clinical trials, review and approvals by regulatory authorities of its drug and diagnostic candidates and the Company's continued ability to raise capital to fund its development, as well as those risks and uncertainties discussed or identified in the Company's public filings with the French Autorité des marchés financiers ("AMF"), including those listed in Section 4 "Main Risks and Uncertainties" of the Company's 2018 Registration Document filed with the AMF on February 27, 2019 under n° D.19-0078, which is available on GENFIT's website (www.genfit.com) and on the website of the AMF (www.amf-france.org) and public filings and reports filed with the U.S. Securities and Exchange Commission ("SEC"), including the Company's final prospectus dated March 26, 2019, and subsequent filings and reports filed with the AMF or SEC, or otherwise made public, by the Company. In addition, even if the Company's results, performance, financial condition and liquidity, and the development of the industry in which it operates are consistent with such forward-looking statements, they may not be predictive of results or developments in future periods. These forward-looking statements speak only as of the date of publication of this document. Other than as required by applicable law, the Company does not undertake any obligation to update or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise.

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