

Schrödinger and Zai Lab Announce a Global R&D Collaboration in Oncology

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Agreement provides Schrödinger and Zai Lab with pipeline expansion opportunities in precision oncology

NEW YORK & SHANGHAI & SAN FRANCISCO--(BUSINESS WIRE)--Aug. 4, 2021-- Schrödinger, Inc. (Nasdaq: SDGR), whose physics-based software platform is transforming the way therapeutics and materials are discovered, and Zai Lab Limited (Nasdaq: ZLAB; HKEX: 9688), an innovative commercial-stage biopharmaceutical company, today announced a global discovery, development and commercialization collaboration focused on a novel program in oncology targeting DNA damage response.

“With an established track record of developing and commercializing therapeutics in oncology, Zai Lab is an ideal partner for Schrödinger on this project,” said Karen Akinsanya, Ph.D., executive vice president, chief biomedical scientist and head of discovery R&D at Schrödinger. “Together, we will aim to accelerate and expand our focus on targeted DNA damage response inhibition, which is emerging as an important therapeutic strategy for a broad range of cancers. Additionally, the structure of this collaboration provides us with the opportunity to gain development and commercial expertise and the potential to participate more significantly in the downstream value of the program.”

“We are pleased to be collaborating with Schrödinger, a recognized leader in physics-based computational drug discovery,” said Alan Sandler, M.D., president and head of global development, oncology, at Zai Lab. “This program will complement our existing discovery efforts in the DNA damage response pathway in addition to potential combinatorial approaches within our pipeline, such as with the PARP inhibitor Zejula.”

The research program will be conducted jointly by the Schrödinger and Zai Lab scientific teams. The companies will be responsible for their own research program expenses, and under the terms of the collaboration agreement, Zai

Lab will make an upfront payment to Schrödinger to help fund Schrödinger's share of research costs. Following the selection of a development candidate, Zai Lab will assume primary responsibility for global development, manufacturing and commercialization. The agreement provides Schrödinger co-development and co-commercialization rights in the U.S. If Schrödinger elects to co-fund clinical development of a product candidate under the collaboration, it will be entitled to 50 percent of the profits, if any, from the commercialization of such product candidate in the United States. Schrödinger will also be eligible to receive up to approximately \$338 million in preclinical, clinical, regulatory and sales-based milestone payments. Additionally, Schrödinger is entitled to receive royalties on net sales outside the U.S.

About Schrödinger

Schrödinger is transforming the way therapeutics and materials are discovered. Schrödinger has pioneered a physics-based software platform that enables discovery of high-quality, novel molecules for drug development and materials applications more rapidly and at lower cost compared to traditional methods. The software platform is used by biopharmaceutical and industrial companies, academic institutions, and government laboratories around the world. Schrödinger's multidisciplinary drug discovery team also leverages the software platform to advance collaborative programs and its own pipeline of novel therapeutics to address unmet medical needs.

Founded in 1990, Schrödinger has over 450 employees and is engaged with customers and collaborators in more than 70 countries. To learn more, visit www.schrodinger.com and follow us on LinkedIn and Twitter.

About Zai Lab

Zai Lab (Nasdaq: ZLAB; HKEX: 9688) is an innovative commercial-stage biopharmaceutical company focused on bringing transformative medicines for cancer and infectious and autoimmune diseases to patients in China and around the world. We aim to address significant unmet medical needs in large, fast-growing segments of the pharmaceutical market. Our experienced team has secured partnerships with leading global biopharmaceutical companies to generate a broad pipeline of potentially innovative, marketed products and product candidates. We have also built an in-house team with strong drug discovery and translational research capabilities and are establishing a pipeline of proprietary drug candidates with global rights. Our vision is to become a leading global biopharmaceutical company, discovering, developing, manufacturing and commercializing our portfolio in order to positively impact human health worldwide.

For additional information about the company, please visit www.zailaboratory.com or follow us at www.twitter.com/ZaiLab_Global.

Schrödinger Forward Looking Statements

This press release contains forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995 including, but not limited to those regarding our expectations about the speed and capacity of our computational platform, our ability to discover novel therapeutics under the collaboration with Zai Lab, the potential of our collaboration with Zai Lab to develop new therapies, our ability to realize potential milestones, royalties or other payments under the collaboration and the risk that we may not realize the expected benefits of the collaboration. Statements including words such as "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "potential," "predict," "project," "should," "target," "will," "would" and statements in the future tense are forward-looking statements. These forward-looking statements reflect our current views about our plans, intentions, expectations, strategies, and prospects, which are based on the information currently available to us and on assumptions we have made. Actual results may differ materially from those described in these forward-looking statements and are subject to a variety of assumptions, uncertainties, risks and factors that are beyond our control, including our reliance upon third-party providers of cloud-based infrastructure to host our software solutions, our reliance on third party contract research organizations to assist in the discovery of development candidates, our reliance on Zai Lab to perform its obligations to develop and commercialize any development candidates discovered by us under the collaboration, the uncertainties inherent in drug development and commercialization, uncertainties associated with the regulatory review of clinical trials and applications for marketing approvals, the potential impact of the COVID-19 pandemic on our operations or the operations of third parties we rely on, as well as the other risks and uncertainties identified under the caption "Risk Factors" and elsewhere in our Securities and Exchange Commission filings and reports, including the Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 5, 2021, as well as future filings and reports by us. Any forward-looking statements contained in this press release speak only as of the date hereof. Except as required by law, we undertake no duty or obligation to update any forward-looking statements contained in this press release as a result of new information, future events, changes in expectations or otherwise.

Zai Lab Forward-Looking Statements

This press release contains statements about future expectations, plans and prospects for Zai Lab, including, without limitation, statements regarding the plans and potential benefits of the global drug discovery, co-development and co-commercialization collaboration in oncology. These statements may contain words such as "aim," "anticipate," "believe," "could," "estimate," "expect," "forecast," "goal," "intend," "may," "plan," "possible," "potential," "will," "would" and other similar expressions. Such statements constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not statements of historical fact nor are they guarantees or assurances of future performance. Forward-looking statements are based on our expectations and assumptions as of the date of this press release and are subject to

inherent uncertainties, risks and changes in circumstances that may differ materially from those contemplated by the forward-looking statements. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including but not limited to (1) our ability to successfully commercialize and generate revenue from its approved products; (2) our ability to finance its operations and business initiatives and obtain funding for such activities, (3) the results of clinical and pre-clinical development of its product candidates, (4) the content and timing of decisions made by the relevant regulatory authorities regarding regulatory approvals of our product candidates, (5) the effects of the novel coronavirus (COVID-19) pandemic on our business and general economic, regulatory and political conditions and (6) the risk factors identified in our most recent annual or quarterly report and in other reports we have filed with the U.S. Securities and Exchange Commission. We anticipate that subsequent events and developments will cause our expectations and assumptions to change and we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by 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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