Brii Biosciences Limited
腾盛博药生物科技有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2137)

VOLUNTARY ANNOUNCEMENT LICENSE AGREEMENTS WITH VBI, SUPPLY AGREEMENT WITH VBI AND EQUITY INVESTMENT IN VBI

This announcement is made by the board of directors (the "**Board**") of Brii Biosciences Limited (the "**Company**") on a voluntary basis.

The Board is pleased to announce that the Company entered into license agreements with VBI Vaccines, Inc. ("**VBI**", a corporation whose stocks are listed on the NASDAQ Global Market (NASDAQ: VBIV)) to expand the two companies' collaboration in the hepatitis B virus ("**HBV**") field. The license agreements with VBI signify a substantial expansion in the fight against hepatitis B infection.

Pursuant to the agreements and subject to the terms and conditions thereof, the Company will acquire from VBI the exclusive global rights for the development and commercialization of BRII-179 (VBI-2601), extending its exclusive license for BRII-179 (VBI-2601) from Greater China to worldwide markets and further establishing its leadership position in pursuing HBV functional cure. A growing body of evidence establishes the importance of a strong HBV-specific immune response to a durable HBV functional cure, highlighting a potentially important role of BRII-179 as part of a combination cure strategy.

Additionally, pursuant to the agreements and subject to the terms and conditions thereof, the Company will acquire from VBI the exclusive rights to develop and commercialize PreHevbri® in Greater China and certain other Asia Pacific countries including Australia, Indonesia, Malaysia, New Zealand, Philippines, Singapore, South Korea, Thailand and Vietnam, among others. PreHevbri® is a clinically differentiated 3-antigen adult HBV prophylactic vaccine recently approved for use in the United States, European Union/European Economic Area, United Kingdom, Canada, and Israel. Under the terms of the agreements, VBI will be entitled to an upfront license fee of US$7 million for BRII-179 (VBI-2601) and PreHevbri® and is eligible to receive potential milestone payments for future development and commercialization, as well as royalties based on future annual net sales.

In addition, the Company entered into a supply agreement with VBI, pursuant to which and subject to the terms and conditions thereof, VBI will manufacture and supply BRII-179 (VBI-2601) or PreHevbri® to the Company and the Company will make an advance payment of US$5 million to VBI. Further, subject to certain closing conditions, the Company will make a US$3 million equity investment in VBI.

"We are excited to strengthen our partnership with VBI, expanding our HBV pipeline and reinforcing our public health commitment to combatting HBV," said Zhi Hong, Ph.D., the Chairman and the Chief Executive Officer of the Company. "By exploring the combination cure strategies across our portfolio, we aim to produce the most durable curative treatment in the broadest populations of HBV patients. The addition of the PreHevbri®, VBI's prophylactic vaccine, to our HBV portfolio allows us to address HBV burdens from prevention to cure and jump-start our commercialization efforts in China and other Asia Pacific countries with high HBV prevalence and population density, unlocking substantial significant revenue potential."

BRII-179 (VBI-2601) is currently undergoing Phase 2 studies led by the Company in China, evaluating its potential as a key component of a functional cure for chronic HBV patients. Promising results from multiple studies, including Vir Biotechnology, Inc.'s Monoclonal Antibody siRNA Combination against Hepatitis B study and the Company's ongoing Phase 2 trials combining BRII-179 (VBI-2601) with BRII-835 (VIR-2218), have shown a strong correlation between durable hepatitis B surface antigen seroclearance and antibody seroconversion, highlighting the potential of BRII-179 (VBI-2601) as a valuable immunomodulatory component within a functional cure regimen. The Company intends to further evaluate BRII-179 as part of a combination cure strategy in upcoming studies, with a goal to substantially improve upon cure rates achieved with pegylated interferon alfa ("**PEG-IFN-α**") alone and to expand the population of chronic HBV patients eligible for a potential cure.

PreHevbri®, also known as PreHevbrio® in the United States and Canada, PreHevbri® in the European Union/European Economic Area and United Kingdom, and Sci-B-Vac® in Israel, is the only approved 3-antigen HBV vaccine. In pivotal Phase 3 clinical studies, PROTECT and CONSTANT, PreHevbri® showed higher rates of and long-lasting seroprotection across all subjects aged 18 or above, as well as 5 to 8 times higher antibody titers, compared to Engerix-B, a single-antigen HBV vaccine. Moreover, an integrated safety analysis of both studies demonstrated that PreHevbri® is well tolerated with no unexpected reactogenicity observed.

To the best of the knowledge, information and belief of the directors of the Company having made all reasonable enquiries, VBI and its ultimate beneficial owners are independent of, and not connected with, the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")). The transactions contemplated under the said license agreements, supply agreement and equity investment in VBI do not constitute any notifiable transactions or connected transactions of the Company under the Listing Rules.

Cautionary Statement: There is no assurance that BRII-179 or PreHevbri® will ultimately be successfully developed or marketed by the Company. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company. When in doubt, shareholders of the Company and potential investors are advised to seek advice from professional or financial advisers.

By order of the Board
Brii Biosciences Limited
Dr. Zhi Hong
Chairman

Hong Kong, July 6, 2023

As at the date of this announcement, the Board comprises Dr. Zhi Hong and Dr. Ankang Li as executive directors; Mr. Robert Taylor Nelsen as non-executive director; and Dr. Martin J Murphy Jr, Ms. Grace Hui Tang, Mr. Yiu Wa Alec Tsui, Mr. Gregg Huber Alton and Dr. Taiyin Yang as independent non-executive directors.