Oyster Point Pharma Announces Exclusive License Agreement with Ji Xing Pharmaceuticals to Develop and Commercialize OC-01 and OC-02 in Greater China

August 5, 2021

- *Ji Xing Pharmaceuticals to develop and commercialize OC-01 (varenicline) and OC-02 (simpinicline) nasal sprays for patients with dry eye disease in Greater China*
- *Oyster Point Pharma will receive a $17.5 million upfront payment and up to 0.75% of equity in Ji Xing Pharmaceuticals*
- *Oyster Point is eligible to receive up to $204.8 million in potential development and sales-based milestone payments, as well as tiered royalty payments based on future net sales*

PRINCETON, N.J., and SHANGHAI, China, Aug. 05, 2021 (GLOBE NEWSWIRE) -- Oyster Point Pharma, Inc. (Nasdaq: OYST), a clinical-stage biopharmaceutical company focused on the discovery, development and commercialization of first-in-class pharmaceutical therapies to treat ophthalmic diseases, today announced an exclusive license and collaboration agreement with Ji Xing Pharmaceuticals (Ji Xing) to develop and commercialize OC-01 (varenicline) and OC-02 (simpinicline) nasal sprays for the treatment of signs and symptoms of dry eye disease for patients in Greater China. Ji Xing is a biotechnology company headquartered in Shanghai and founded by RTW Investments, LP (RTW), focused on bringing breakthrough medicines to underserved Chinese patients with refractory, serious and life-threatening diseases.

"This agreement marks an important step toward providing OC-01 (varenicline) and OC-02 (simpinicline) nasal sprays to patients living with dry eye disease globally while strengthening our cash position," said Jeffrey Nau, president and chief executive officer of Oyster Point Pharma. "We look forward to partnering with the team at Ji Xing to develop and potentially commercialize these novel therapies in the licensed regions."

“Stimulating natural tear film production may be a paradigm-changing way to treat dry eye disease, which affects more than 150 million patients in China,” said Joseph Romanelli, CEO of Ji Xing. “We are excited to partner with the Oyster Point team, who are innovative pioneers focused on developing therapeutics for ophthalmic diseases, and bring both OC-01 and OC-02 to China. OC-01 and OC-02 have the potential to offer a compelling alternative to artificial tears and anti-inflammation eye-drops to help ease the disease burden for patients.”

Under the terms of the agreement, Oyster Point will grant Ji Xing an exclusive license to develop and commercialize both OC-01 (varenicline) and OC-02 (simpinicline) in patients with ophthalmic diseases in Greater China. Oyster Point will receive an upfront payment consisting of $17.5 million in cash and up to 0.75% of shares in Ji Xing, half of which is subject to a pre-specified vesting condition. In addition, Oyster Point is eligible to receive up to $204.8 million in milestone payments and tiered royalties based on future net sales of OC-01 and OC-02 in Greater China. Ji Xing intends to manufacture OC-01 and OC-02 locally in China and will be responsible for development and commercialization costs in its licensed territory.

About Dry Eye Disease
Dry eye disease is a chronic, progressive condition that impacts more than 30 million people in the United States and over 150 million people in China. An estimated 16 million adults in the U.S. have been diagnosed with dry eye disease, a multifactorial condition of the ocular surface characterized by disruption of the tear film. A healthy tear film protects and lubricates the eyes, washes away foreign particles, contains growth factors and antimicrobial components to reduce the risk of infection, and creates a smooth surface that contributes refractive power for clear vision. Dry eye disease can have a significant impact on a person’s day-to-day quality of life, as it can cause persistent stinging, scratching, burning sensations, sensitivity to light, blurred vision and eye fatigue. Despite the large prevalence of dry eye and the burden of the disease, there remains a significant unmet need for effective therapies.

About OC-01 (varenicline) Nasal Spray
OC-01 (varenicline) nasal spray is a highly selective cholinergic agonist being developed as a multidose preservative-free nasal spray to treat the signs and symptoms of dry eye disease and neurotrophic keratopathy. The parasympathetic nervous system, the “rest and digest” system of the body, controls tear film homeostasis partially via the trigeminal nerve, which is accessible within the nose. Administered as a preservative-free, aqueous nasal spray, in pre-clinical and clinical studies, OC-01 (varenicline) nasal spray was shown to have a novel mechanism of action with activation of the trigeminal parasympathetic pathway in the nasal cavity to activate natural tear film production. The human tear film is a complex mixture of more than 1,500 different proteins, including growth factors and antibodies, as well as numerous classes of lipids and mucins. This complex tear film is responsible for forming the primary refracting surface of the eye, as well as protecting and moisturizing the cornea. In December 2020, Oyster Point submitted to the U.S. Food and Drug Administration (FDA) a New Drug Application (NDA) for OC-01 (varenicline) nasal spray for the treatment of signs and symptoms of dry eye disease. The Prescription Drug User Fee Act (PDUFA) target action date is October 17, 2021, with a planned U.S. launch of OC-01 (varenicline) nasal spray in this indication in the fourth quarter of 2021, if approved by the FDA. OC-01 (varenicline) nasal spray is an investigational new drug and has not been approved for any use in any country. The safety and efficacy of OC-01 (varenicline) nasal spray have not been established.

About OC-02 (simpinicline) Nasal Spray
OC-02 (simpinicline) nasal spray is a highly selective cholinergic agonist. Simpinicline citrate is a strong nicotinic acetylcholine receptor agonist of activity at the α4β2, α3β4, α3α5β4, and α4α6β2 receptors and weak agonist activity at the α7 receptor. OC-02 has been previously studied in two

Phase 2b clinical trials for dry eye disease.

About Ji Xing Pharmaceuticals
Backed by RTW Investments, LP, Ji Xing is a privately held, leading biotechnology company headquartered in Shanghai committed to bringing innovative science and medicines to underserved Chinese patients with serious and life-threatening diseases.

About RTW Investments
RTW Investments, LP (RTW) is a New York-based, global, full life-cycle investment firm that focuses on identifying transformational and disruptive innovations across the biopharmaceutical and medical technologies sectors. As a leading partner of industry and academia, RTW combines deep scientific expertise with a solution-oriented investment approach to advance emerging medical therapies by building and supporting the companies and/or academics developing them. For further information about RTW, please visit www.RTWfunds.com.

Forward-Looking Statements
This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect the current beliefs, expectations and assumptions of Oyster Point Pharma (the "Company" or "our") regarding the future of the Company's business, our future plans and strategies, regulatory approvals, preclinical and clinical results, future financial condition and other future conditions. All statements other than statements of historical facts contained in this press release, including express or implied statements regarding plans and objectives of management for future operations, future results of operations and financial position, business strategy, product candidates, regulatory approvals, planned future product commercialization, planned preclinical studies and clinical trials, expected results of preclinical studies or clinical trials, and their timing and likelihood of success, expected research and development and commercialization costs, are forward-looking statements. The words "if approved," "may," "will," "should," "would," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" or "continue" or the negative of these terms or other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including, among other things: the timing or likelihood of regulatory filings and approvals for OC-01, OC-02 and other product candidates in the US and Greater China; the beneficial characteristics, safety, efficacy and therapeutic effects of OC-01, OC-02 and other product candidates; our plans relating to the further development, manufacturing and potential commercialization of our product candidates in the US and in other countries, including potential additional indications or disease areas to be evaluated and pursued; the timing of initiation of our and our collaboration partner's future clinical trials; the uncertainties inherent in pharmaceutical research and development, including preclinical study and clinical trial results and additional analysis of existing data; the likelihood of clinical trials demonstrating safety and efficacy of our product candidates, and other positive results; our plans and potential for success relating to commercializing OC-01 and OC-02 in the US and in other countries; the prevalence of dry eye disease and Neurotrophic Keratopathy (NK) and the size of the market opportunities for our product candidates in the US and in other countries; our plans and ability to obtain or protect intellectual property rights in the US and in other countries, including extensions of existing patent terms where available; our ability to recruit and retain key personnel needed to develop and commercialize our product candidates, if approved, and to grow our company; the expected potential benefits of strategic collaborations with third parties and our ability to attract collaborators with development, regulatory and commercialization expertise in the US and in other countries; existing regulations and regulatory developments in the United States and in other countries; our continued reliance on third parties to conduct additional preclinical studies and clinical trials of our product candidates, and for the manufacture of our product candidates for potential commercialization and for preclinical studies and clinical trials; the impact of the COVID-19 pandemic on our business, operations, and regulatory and clinical development timelines; the accuracy of our estimates regarding expenses, future revenue, capital requirements and needs for additional financing; our financial performance; market conditions; the sufficiency of our existing capital resources to fund our future operating expenses and capital expenditure requirements; our expectations regarding the period during which we will qualify as an emerging growth company under the JOBS Act; and other risks described in the "Risk Factors" section included in our public filings that we have made and will make with the Securities and Exchange Commission (SEC). The Company is providing the information in this press release as of this date and does not undertake any obligation to update any forward-looking statements contained in this press release as a result of new information, future events or otherwise.

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