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I-Mab divests China business to become US-based biotech firm

February 9, 2024 | News

Agreement provides for a strategic focus in advancing I-Mab's potential of differentiated oncology clinical assets



I-Mab, a global biotech company exclusively focused on bringing highly differentiated immunotherapies and biologics for cancer treatment to patients around the world, has announced that as part of its strategy to become a US-based biotech, its Chinese subsidiaries have entered into definitive agreements with I-Mab Biopharma (Hangzhou), an unconsolidated affiliate of the company, and a group of China-based investors to divest the company's assets and business operations in China.

Pursuant to the definitive agreements, the company will transfer 100% of the outstanding equity interest in I-Mab Biopharma Co. (I-Mab Shanghai), a wholly owned subsidiary of the company that operates the company's business in China, on a cash-free and debt-free basis, to the Hangzhou Company for an aggregate consideration of the RMB equivalent of up to $80 million , contingent on the Hangzhou Company group's achievement of certain future regulatory and sales-based milestone events. The company also retains a right of first negotiation outside of Greater China related to three future investigational new drug candidates.

The definitive agreements also provide that the Company's wholly owned subsidiary, I-Mab Biopharma Hong Kong, will transfer the equity interests it holds in the Hangzhou Company to certain participating shareholders of the Hangzhou Company in exchange for extinguishment of the existing repurchase obligations owed by I-Mab Hong Kong to those shareholders in the amount of approximately $183 million.

The total amount of potential repurchase obligations owed by I-Mab Hong Kong and the company to the non-participating shareholders of the Hangzhou Company upon the closing of the transaction is expected to range from $30 million to $35 million, an amount that includes actual or potential claims in legal proceedings by the non-participating shareholders against I-Mab Hong Kong and the Company in connection with the aforementioned transaction.

Once the transaction is completed, the Hangzhou Company will acquire I-Mab drug assets in China, including the Greater China rights for eftansomatropin alfa, felzartamab, uliledlimab, givastomig, and lemzoparlimab; bear all future development costs of these assets; and be responsible for the operations of the research & development (R&D) centre of I-Mab Shanghai and the manufacturing facility of the Hangzhou Company.