

PRESS RELEASE

Basilea licenses late-stage oncology drug candidate derazantinib from ArQule

Basel, Switzerland, April 17, 2018 – Basilea Pharmaceutica Ltd. (SIX: BSLN) announced today that it has entered into a license agreement with ArQule, Inc. (NASDAQ: ARQL) for its oncology drug candidate ARQ 087 (derazantinib), which targets the fibroblast growth factor receptor (FGFR) family of kinases. The exclusive license is worldwide, excluding the People's Republic of China, Hong Kong, Macau and Taiwan.

Ronald Scott, Chief Executive Officer, said: "We are very excited about this partnership with ArQule. Derazantinib is an ideal match for our existing clinical oncology portfolio. It is a targeted therapy building on a solid biomarker approach in an area where patients currently have limited treatment options. This transaction underscores our continued commitment to expand our R&D portfolio with novel compounds focused on overcoming the clinical problem of resistance in oncology and infectious diseases. Our clinical oncology portfolio now includes three drug candidates in different stages of development. We continue to focus on further broadening our R&D portfolio through internal and external innovation."

Derazantinib is an orally administered small-molecule inhibitor of the FGFR family of kinases and was developed by ArQule for the potential treatment of various solid tumors. It is currently in a clinical study for intrahepatic cholangiocarcinoma (iCCA), a form of biliary tract cancer for a potential registration. In addition, it is being investigated in a phase 1b study in patients with other solid tumors. FGFR alterations have been identified as potentially important therapeutic targets for various cancers, including iCCA, bladder, breast, gastric and lung cancers.¹ Current scientific literature suggests FGFR alterations exist in a range of 5% to 30% in these cancers.²

Under the terms of the agreement, ArQule grants Basilea rights to research, develop, manufacture and exclusively commercialize derazantinib worldwide, excluding the People's Republic of China, Taiwan, Hong Kong and Macau. Basilea will make an upfront payment to ArQule of USD 10 million. ArQule is eligible to regulatory and sales milestone payments of up to USD 326 million upon reaching certain clinical, regulatory and commercial milestones as well as staggered single to double-digit royalties on sales upon commercialization.

About derazantinib (ARQ 087)

Derazantinib (ARQ 087) is an investigational, oral, multi-kinase inhibitor designed to preferentially inhibit the FGFR family of kinases, a key driver of cell proliferation, differentiation and migration. The drug has demonstrated favorable clinical data in a biomarker-driven Phase 1/2 study in iCCA patients. Both the FDA and EMA have granted ArQule orphan drug designation for this disease.

About ArQule

ArQule (NASDAQ: ARQL) is a biopharmaceutical company engaged in the research and development of targeted therapeutics to treat cancers and rare diseases. ArQule's mission is to discover, develop and commercialize novel small molecule drugs in areas of high unmet need that will dramatically extend and improve the lives of patients. Its clinical-stage pipeline consists of five drug candidates, all of which are in targeted, biomarker-defined patient populations, making ArQule a leading company in precision medicine. The company is based in Burlington, Massachusetts, USA. Additional information can be found at ArQule's website www.arqule.com.

About Basilea

Basilea Pharmaceutica Ltd. is a commercial stage biopharmaceutical company developing products that address the medical challenge of increasing resistance and non-response to current treatment options in the therapeutic areas of bacterial infections, fungal infections and cancer. With two commercialized drugs, the company is committed to discovering, developing and commercializing innovative pharmaceutical products to meet the medical needs of patients with serious and life-threatening conditions. Basilea Pharmaceutica Ltd. is headquartered in Basel, Switzerland and listed on the SIX Swiss Exchange (SIX: BSLN). Additional information can be found at Basilea's website www.basilea.com.

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This press release can be downloaded from www.basilea.com.

References

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