BeyondSpring Provides Operational Updates and First-Quarter 2018 Financial Results

June 21, 2018

NEW YORK, June 21, 2018 (GLOBE NEWSWIRE) -- BeyondSpring Inc. (the Company) (NASDAQ:BYSI), a global, clinical-stage biopharmaceutical company focused on the development of transformative cancer therapies, today announced its financial results for the quarter ended March 31, 2018, and provided an update on the Company's operations.

"During the past few months, we have continued to execute on our strategy to establish our lead asset, Plinabulin, as a potentially superior new therapy for the treatment of chemotherapy-induced neutropenia, or CIN, while also advancing our Phase 3 non-small cell lung cancer trial and earlier-stage programs," said Lan Huang, Ph.D., Chairman, Chief Executive Officer and Co-Founder of BeyondSpring. "We recently highlighted data from the Plinabulin development program describing its differentiated mechanism of action and positive results from the Phase 2 portion of 105 Study, which together, further articulates the potential of our novel candidate to prevent severe neutropenia with less bone pain and an overall more favorable product profile than G-CSF therapy. We look forward to building on this momentum as we approach key Phase 3 data readouts for CIN and non-small cell lung cancer beginning later this year, advance our early-stage pipeline of immuno-oncology therapies and research activities for our ubiquitination protein degradation research platform, and prepare to initiate Phase 1 trials later this year for multiple triple-combination immuno-oncology programs. We have already started the process of preparing to commercialize in both China and the U.S., including identifying and securing the resources and talent we need to put in place for commercial success for Plinabulin in both markets. With significant upcoming milestones, BeyondSpring is well-positioned to transition to a multinational, commercial-stage oncology company."

Recent Highlights

Data from the Phase 2 portion of Study 105 comparing Plinabulin and Neulasta® (pegfilgrastim) for prevention of CIN presented at American Society of Clinical Oncology (ASCO) Annual Meeting
In June 2018, results of the Phase 2 portion of Study 105, a prospective Phase 2/3 trial of its lead asset, Plinabulin, were presented by BeyondSpring in a poster session at the ASCO Annual Meeting. The Phase 2 portion of Study 105 was designed as a head-to-head comparison of different dose levels of Plinabulin to Neulasta in a total of 55 patients. The Phase 2 portion met its primary endpoint, which was to determine the recommended Phase 3 Plinabulin dose. Data from the study demonstrated that patients treated with Plinabulin dosed 30 minutes after docetaxel for the prevention of docetaxel CIN reported less bone pain, which was clinically meaningful, and had superior neutrophil counts and comparable neutropenia reduction compared to patients treated with Neulasta 24 hours after docetaxel. The data suggested that Plinabulin has the potential to be at least as effective as Neulasta for prevention of CIN, with an overall product profile that could address the limitations of the current standard of care.

Plinabulin mechanism data highlighted at the American Association for Cancer Research (AACR) Annual Meeting
In April 2018, BeyondSpring presented preclinical data related to Plinabulin's differentiated mechanism of action at the AACR annual meeting. The data demonstrated Plinabulin's novel mechanism in preserving neutrophils in bone marrow after docetaxel chemotherapy treatment – a mechanism that is differentiated from that of G-CSF, which is the current standard of care in the prevention of CIN.

The Company offered shares through a registered direct offering for gross proceeds of $20.0 million
On May 29, 2018, BeyondSpring entered into private placement agreements with certain third-party investors pursuant to which the Company agreed to issue and sell, in a registered direct offering by the Company, an aggregate of 739,095 shares of the Company's ordinary shares at a purchase price of $27.06 per share, for aggregate gross proceeds of $20.0 million. These investors, including an insurance company and a pharmacy retail chain owner in China, may be strategic to BeyondSpring's planned commercial initiatives in China.

Edward Dongheng Liu appointed Chief Financial Officer
In March 2018, the Company announced the appointment of Edward Dongheng Liu as Chief Financial Officer. Mr. Liu was a senior banker at J.P. Morgan and Jefferies in Hong Kong, and was a partner and executive director of Epiphron Capital, a cross-border healthcare fund and Series B investor in BeyondSpring.

Financial Results for Three Months Ended March 31, 2018

Research and development (R&D) expenses were $14.1 million for the quarter ended March 31, 2018, compared to $46.7 million for the quarter ended March 31, 2017. R&D expenses for the first quarter of 2017 included a $42.3 million non-cash charge for acquiring the worldwide patent of Plinabulin excluding the People's Republic of China (PRC) and Hong Kong, which is determined based on the fair value of issued 2,112,963 ordinary shares at $20 per share. Excluding the impact of this purchase, the R&D expense for the quarter ended March 31, 2018 would have increased by $9.7 million, compared to the quarter ended March 31, 2017. This increase is largely attributable to $4.9 million of non-cash share-based compensation expense recorded in the first quarter of 2018, $2.8 million related to increased clinical trial expense and $1.4 million related to increased professional services expense.

General and administrative (G&A) expenses were $0.7 million for the quarter ended March 31, 2018, compared to $1.0 million for the quarter ended March 31, 2017. First quarter 2018 G&A expenses included a $0.7 million non-cash credit relating to the forfeiture of certain restricted shares.

U.S. GAAP net loss was $14.1 million for the quarter ended March 31, 2018, compared to $47.7 million for the quarter ended March 31, 2017. Net loss for the first quarter ended March 31, 2017, included a $42.3 million non-cash charge for acquiring the worldwide patent of Plinabulin excluding the PRC and Hong Kong.

Cash and short-term investments were $21.5 million at March 31, 2018, compared to $30.6 million at December 31, 2017. The Company anticipates that its current financial resources, including the proceeds from the private placement, would enable it to advance its ongoing clinical trials and submit New Drug Applications (NDAs) in China for Plinabulin for the treatment of CIN and non-small cell lung cancer in late 2018 or early 2019 and in the first

half of 2019, respectively, and to advance its immuno-oncology pipeline, as well as its ubiquitination protein degradation research platform.

Key Upcoming Milestones

The following outlines the Company's key anticipated upcoming milestones for the next 12 months.

- Announce Phase 3 interim analysis data for Study 105 evaluating Plinabulin + docetaxel for CIN – 4Q 2018
- Announce topline Phase 2 data for Study 106 evaluating Plinabulin + TAC (Taxotere®/Adriamycin ™/cyclophosphamide) for CIN – late 2018
- Announce Phase 3 interim data for Study 103 evaluating Plinabulin + docetaxel for non-small cell lung cancer (NSCLC) – early 2019
- Submit NDA to China Food and Drug Administration (CFDA) for Plinabulin for CIN – late 2018/early 2019
- Advance two Plinabulin triple-combination immuno-oncology programs into Phase 1 – 2H 2018
- Submit NDA to CFDA for Plinabulin for NSCLC – 1H 2019
- Advance ubiquitination protein degradation research platform, BPI-001, first target of mutant KRAS, lead asset – 2019
- Advance new pipeline asset, BPI-002, an oral CTLA-4 inhibitor, into Phase 1 – 2019

Conference Call and Webcast Information
The Company will host an operational update conference call on Thursday, June 21, 2018 at 8:00 a.m. Eastern Time. The dial-in numbers for the conference call are (866) 362-6591 (U.S. Toll Free) or (706) 758-3199 (international). Please reference conference ID 3398418.

A live webcast of the conference call will be available through the Investors section of BeyondSpring's website at http://ir.beyondspringpharma.com. Please allow extra time prior to the call to visit the site and download any necessary software to listen to the live broadcast. A replay of the webcast will remain available on http://ir.beyondspringpharma.com for 30 days following the call.

About Plinabulin
Plinabulin, a marine-derived small-molecule, is BeyondSpring's lead asset and is currently in late-stage clinical development for the prevention of CIN and as an anticancer therapy in NSCLC. Studies of Plinabulin's mechanism of action indicate that Plinabulin activates GEF-H1, a guanine nucleotide exchange factor. GEF-H1 activates downstream transduction pathways leading to the activation of the protein c-Jun. Activated c-Jun enters the nucleus of dendritic cells to up-regulate immune-related genes, which contributes to the up-regulation of a series of genes leading to dendritic cell maturation, T-cell activation and other effects that prevent neutropenia by reducing the neutrophil breakdown.

About BeyondSpring
BeyondSpring is a global, clinical-stage biopharmaceutical company developing innovative immuno-oncology cancer therapies with a robust pipeline from internal development and from collaboration with University of Washington in de novo drug discovery using ubiquitination platform. BeyondSpring's lead asset, Plinabulin, is in a Phase 3 global clinical trial as a direct anticancer agent in the treatment of non-small cell lung cancer (NSCLC) and two Phase 2/3 clinical programs in the prevention of chemotherapy-induced neutropenia (CIN). BeyondSpring has a seasoned management team with many years of experience bringing drugs to the global market.

Cautionary Note Regarding Forward-Looking Statements
This press release includes forward-looking statements that are not historical facts. Words such as "will," "expect," "anticipate," "plan," "believe," "design," "may," "future," "estimate," "predict," "potential," "suggest," "objective," "goal," or variations thereof and variations of such words and similar expressions are intended to identify such forward-looking statements. Specifically, these forward-looking statements include, but are not limited to, statements relating to the Company's ability to establish its lead asset, Plinabulin, as a potentially superior new therapy for the treatment of CIN and ability to advance its Phase 3 non-small cell lung cancer trial and earlier-stage programs, the potential for development and marketing of our product candidates, ability to advance its pipeline of immuno-oncology therapies and research activities, timing and ability of the Company to prepare and initiate Phase 1 trials relating to triple-combination immune-oncology programs, the potential effectiveness of Plinabulin, the potential for Plinabulin to address limitations in the current standard of care, the Company's ability to meet the anticipated upcoming milestones described above in the next 12 months, if at all, and the Company's ability to continue as a going concern. Forward-looking statements are based on BeyondSpring's current knowledge and its present beliefs and expectations regarding possible future events and are subject to risks, uncertainties and assumptions. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of several factors including, but not limited to, the anticipated amount needed to finance the company's future operations, unexpected results of clinical trials, delays or denial in regulatory approval process, our expectations regarding the potential safety, efficacy or clinical utility of our product candidates, or additional competition in the market, and other risk factors referred to in BeyondSpring's current Form 20-F on file with the U.S. Securities and Exchange Commission. The forward-looking statements made herein speak only as of the date of this release and BeyondSpring undertakes no obligation to update publicly such forward-looking statements to reflect subsequent events or circumstances, except as otherwise required by law.

Neulasta is a registered trademark of Amgen, Inc. Taxotere is a registered trademark of Aventis Pharma S.A. Corporation. Adriamycin is a trademark of Pharmacia & Upjohn Company LLC.

(tables follow)

BEYONDSPRING INC.
AUDITED CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2017 AND
UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2018
(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

	December 31, 2017 $ (Audited)	March 31, 2018 $ (Unaudited)
Assets		
Current assets:		
Cash	27,481	18,350
Short term investments	3,074	3,188
Advances to suppliers	1,525	1,464
Prepaid expenses and other current assets	264	284
Total current assets	32,344	23,286
Noncurrent assets:		
Property and equipment, net	123	124
Other noncurrent assets	361	483
Total noncurrent assets	484	607
Total assets	32,828	23,893
Liabilities and equity		
Current liabilities:		
Accounts payable	3,379	4,389
Government grants	307	-
Accrued expenses	807	1,112
Other current liabilities	299	301
Total current liabilities	4,792	5,802
Total liabilities	4,792	5,802
Commitments and contingencies		
Equity:		
Ordinary shares ($0.0001 par value; 500,000,000 shares authorized; 22,530,702 shares and 22,455,702 shares issued and outstanding as of December 31, 2017 and March 31, 2018, respectively)	2	2
Additional paid-in capital	151,147	155,346
Accumulated deficit	(123,891)	(137,547)
Accumulated other comprehensive loss	(182)	(278)
Total BeyondSpring Inc.'s shareholder's equity	27,076	17,523
Noncontrolling interests	960	568
Total equity	28,036	18,091
Total liabilities and equity	32,828	23,893

BEYONDSPRING INC.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF
COMPREHENSIVE LOSS FOR THE THREE MONTHS ENDED MARCH 31, 2017 AND 2018
(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)
(Unaudited)

	Three months ended March 31,

	2017	2018
	$	$
Revenue	-	**-**
Operating expenses:		
Research and development, including patent cost of $42,259 expensed for the three months ended March 31, 2017	(46,747)	(14,074)
General and administrative	(1,044)	(728)
Loss from operations	(47,791)	(14,802)
Foreign exchange gain, net	74	332
Interest income	5	73
Other income	-	316
Loss before income tax	(47,712)	(14,081)
Income tax benefit	-	-
Net loss	(47,712)	(14,081)
Less: Net loss attributable to noncontrolling interests	(316)	(425)
Net loss attributable to BeyondSpring Inc.	(47,396)	(13,656)
Net loss per share		
Basic and diluted	(2.66)	(0.61)
Weighted-average shares outstanding		
Basic and diluted	17,834,676	22,211,762
Other comprehensive loss		
Foreign currency translation adjustment loss	(4)	(65)
Comprehensive loss	(47,716)	(14,146)
Less: Comprehensive loss attributable to noncontrolling interests	(315)	(394)
Comprehensive loss attributable to BeyondSpring Inc.	(47,401)	(13,752)

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