Chinook Therapeutics Announces Update on Non-Renal Legacy Programs from Aduro Biotech Merger

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Van Herk Investments to Form and Invest in Sairopa, a New Company Focused on Research and Development of B-Select Monoclonal Antibody Platform Programs

VANCOUVER, British Columbia and SEATTLE, April 05, 2021 (GLOBE NEWSWIRE) -- Chinook Therapeutics, Inc. (NASDAQ: KDNY), a biopharmaceutical company focused on the discovery, development and commercialization of precision medicines for kidney diseases, today announced a transaction with Van Herk Investments, a leading European life science investor, to create and fund a new company called Sairopa, with a pipeline focused on research and development of non-renal monoclonal antibodies generated through Aduro Biotech's B-Select platform. Chinook will own approximately 40 percent of Sairopa after the first tranche of financing from Van Herk and have one seat on Sairopa's Board of Directors.

"We are pleased to partner with Van Herk to form Sairopa to continue advancing the non-renal antibody programs we acquired through the Aduro Biotech merger last year," said Tom Frohlich, chief business officer of Chinook. "Van Herk is a well-respected investment firm, and we are confident they will marshal the capital, talent and resources to develop these programs, while Chinook focuses on continuing to advance its kidney disease pipeline."

As part of the merger, Chinook also assumed Aduro's collaboration and license agreements with Novartis Pharmaceuticals Corporation (Novartis), Eli Lilly and Company (Lilly) and Merck Sharpe & Dohme Corp. (Merck). Novartis recently notified Chinook that it has discontinued development of the final STING pathway activation program under the collaboration, and as a result, has provided notice of termination of the Novartis collaboration and license agreement.

About the CVR Structure
Through the merger with Aduro Biotech, Aduro's common stockholders of record as of the close of business on October 2, 2020 received one CVR for each outstanding share of Aduro common stock held on that date. Each CVR represents the contractual right to receive payments from Chinook as a result of any proceeds received for the sale, license, transfer or disposition of Aduro's non-renal assets during the six months following the close of the merger, net of any tax, transaction costs and other expenses, for a period of up to ten years following closing of the merger.

Regarding Sairopa, Chinook will hold the equity interests in the new company until there is a liquidity event, upon which 50 percent of any proceeds, net of any tax, transaction costs and other expenses, will be distributed to CVR holders, provided such liquidity event occurs during the 10-year CVR period. Regarding the Merck license agreement, 100 percent of any proceeds from future milestone payments and royalties earned by Chinook, net of any tax, transaction costs and other expenses, will be distributed to CVR holders during the 10-year CVR period. If no liquidity event of Sairopa or milestone payments or royalties from Merck occur within the 10-year CVR period, or the consideration received is less than the amounts permitted to be deducted by Chinook, then no payments will be made under the CVR Agreement. Any proceeds from future milestones and royalties earned by Chinook under the Lilly license agreement will be retained by Chinook for the benefit of all Chinook shareholders.

The CVR agreement is available on the Current Report on Form 8-K filed with the SEC on June 2, 2020 and can be found on the SEC's website at www.sec.gov.

About Chinook Therapeutics, Inc.
Chinook Therapeutics, Inc. is a clinical-stage biotechnology company developing precision medicines for kidney diseases. Chinook's product candidates are being investigated in rare, severe chronic kidney disorders with opportunities for well-defined clinical pathways. Chinook's lead program is atrasentan, a phase 3 endothelin receptor antagonist for the treatment of IgA nephropathy and other proteinuric glomerular diseases. BION-1301, an anti-APRIL monoclonal antibody is being evaluated in a phase 1b trial for IgA nephropathy. In addition, Chinook is advancing CHK-336, an oral small molecule LDHA inhibitor for the treatment of primary hyperoxaluria, as well as research programs for other rare, severe chronic kidney diseases. Chinook is building its pipeline by leveraging insights in kidney single cell RNA sequencing, human-derived organoids and new translational models, to discover and develop therapeutics with differentiating mechanisms of action against key kidney disease pathways. To learn more, visit www.chinooktx.com.

About Van Herk Investments
Van Herk Investments is part of the Rotterdam-based Van Herk Groep and holds a portfolio of investments in real estate, energy and life sciences. The Van Herk Groep invests in the life sciences sector through direct investments in private and listed companies and in venture capital funds. Major investments include Galapagos, Zealand Pharma, BioInvent, Immunicum, SkylineDx, Ablynx (sold to Sanofi), and Crucell (sold to J&J). For more information: www.vanherkgroep.nl/beleggingen.

Cautionary Note on Forward-Looking Statements
Certain of the statements made in this press release are forward looking, including those relating to Chinook's business, future operations, advancement of its product candidates and product pipeline, clinical development of its product candidates, including expectations regarding timing of initiation and results of clinical trials. In some cases, you can identify these statements by forward-looking words such as "may," "will," "continue," "anticipate," "intend," "could," "project," "expect" or the negative or plural of these words or similar expressions. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results and events to differ materially from those anticipated, including, but not limited to, our ability to develop and commercialize our product candidates, including initiation of clinical trials, whether results of early clinical trials or preclinical studies will be indicative of the results of future trials, our ability to obtain and maintain regulatory approval of our product candidates, our ability to operate in a competitive industry and compete successfully against competitors that may be more advanced or have greater resources than we do, our ability to obtain and adequately protect intellectual property rights for our product candidates, whether we receive proceeds, if any, related to the CVRs and are able to distribute any of those proceeds to CVR holders, and the effects of COVID-19 on our

clinical programs and business operations. Many of these risks are described in greater detail in our filings with the SEC. Any forward-looking statements in this press release speak only as of the date of this press release. Chinook assumes no obligation to update forward-looking statements whether as a result of new information, future events or otherwise, after the date of this press release.

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