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Gilead Sciences and Scholar Rock announce strategic collaboration

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Gilead Sciences and Scholar Rock Holding Corporation have announced that the companies have entered into a strategic collaboration to discover and develop highly specific inhibitors of transforming growth factor beta (TGF?) activation for the treatment of fibrotic diseases.

Under the collaboration, Gilead has exclusive options to license worldwide rights to product candidates that emerge from three Scholar Rock TGF? programs: inhibitors that target activation of latent TGF?1 with high affinity and specificity, inhibitors that selectively target activation of latent TGF?1 localized to extracellular matrix, and a third TGF? discovery program.

Scholar Rock is responsible for antibody discovery and preclinical research through product candidate nomination, after which, upon exercising the option for a program, Gilead will be responsible for the program's preclinical and clinical development and commercialization. Scholar Rock retains exclusive worldwide rights to discover, develop, and commercialize certain TGF? inhibitors for oncology and cancer immunotherapy.

John McHutchison, Chief Scientific Officer and Head of Research and Development, Gilead Sciences said, "Gilead is committed to developing innovative therapies that address a range of fibrotic diseases, including non-alcoholic steatohepatitis and diabetic kidney disease. We are excited to work with Scholar Rock to investigate this novel approach to TGF? inhibition as an important aspect of our research programs in fibrotic diseases."

In connection with the collaboration agreement, Scholar Rock will receive $80 million in upfront payments, comprised of $50 million cash and $30 million purchase of Scholar Rock Holding Corporation common stock. In addition, Scholar Rock will receive a one-time milestone payment of $25 million upon the successful completion of specific preclinical studies and be eligible to receive up to an additional$1,425 million in potential payments aggregated across all three programs based on the successful achievement of certain research, development, regulatory and commercialization milestones. Scholar Rock would also receive high single-digit to low double-digit tiered royalties on sales of potential future products originating from the

collaboration.

Nagesh Mahanthappa, President and CEO of Scholar Rock said, “Gilead’s commitment to developing innovative therapies for fibrotic diseases makes the company an ideal partner to maximize the value of candidates from our TGF? program. This collaboration also emphasizes our belief in the tremendous potential of Scholar Rock’s broad pipeline of highly specific modulators targeting the TGF? superfamily, with potential applications in a wide range of serious diseases, including neuromuscular disorders, cancer, fibrosis and anemia.”

Fibrosis is a debilitating pathological feature of many diseases that scars tissues and vital organs and is a major cause of morbidity and mortality. TGF?-driven signaling is thought to be a central regulator of fibrosis. Inhibitors of TGF? signaling discovered through Scholar Rock’s proprietary platform have been shown to selectively prevent the activation of the growth factor in the fibrotic matrix in vitro and in preclinical models. By targeting the disease microenvironment, these highly specific inhibitors of TGF? activation may offer a novel approach to suppressing pro-fibrotic signaling in multiple organs.