

News Release

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Merck KGaA, Darmstadt, Germany, and Artios Pharma Announce a Global Strategic Collaboration on Novel DNA Damage Response Targets in Oncology

- **Merck KGaA, Darmstadt, Germany, and Artios will conduct collaborative research and Merck KGaA, Darmstadt, Germany, shall have the right to opt into exclusive development and commercialization of compounds on up to eight targets**
- **Artios to receive US\$30 million in up-front and near-term payments, plus double-digit option fees and up to US\$860 million total milestones per target**
- **Collaboration to leverage significant expertise and R&D resources of Merck KGaA, Darmstadt, Germany, in the field of DNA Damage Response to identify and develop precision oncology medicines targeting nucleases**

Darmstadt, Germany, December 3, 2020– Merck KGaA, Darmstadt, Germany, a leading science and technology company, and Artios Pharma Limited (Artios), a leading DNA Damage Response (DDR) company developing a broad pipeline of precision medicines for the treatment of cancer, today announced a global three year strategic research collaboration to discover and develop multiple precision oncology drugs.



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“Our platform has the potential to revolutionize targeted treatment in cancer and deliver on the promise of precision medicine. This collaboration will leverage the potential of our unique discovery platform of novel DNA repair nuclease inhibitors and targets that we have been developing. The partnership puts us in an exceptional position to focus internal efforts on our leading portfolio of assets which includes a small-molecule ATR inhibitor and a Polθ programme, both in candidate IND evaluation,” said Niall Martin, Chief Executive Officer at Artios Pharma.

“Targeting DNA damage response has the potential to provide an important therapeutic option for many patients in need of new treatments. We are excited about working with Artios to develop novel precision oncology medicines as we move towards changing the current paradigm in cancer treatment. This collaboration further strengthens our leadership and expertise in the field and discovery of DDR inhibitors and complements our multiple innovative assets currently being evaluated in several Phase I and Phase II clinical studies,” said Andree Blaukat, Head Translational Innovation Platform Oncology & Immuno-Oncology at Merck KGaA, Darmstadt, Germany.

Under the terms of the agreement, the companies will leverage Artios’s proprietary nuclease targeting discovery platform to jointly identify multiple synthetic lethal targets for precision oncology drug candidates. During this joint research collaboration, Merck KGaA, Darmstadt, Germany, will contribute its significant expertise and resources in the field of DDR and will have exclusive worldwide rights to develop and commercialize selected therapeutics discovered under the collaboration. The collaboration does not include Artios’s lead programmes, Polθ and ATR inhibitors, for which Artios will retain all rights.

Nucleases are critical enzymes involved in the maintenance of genomic integrity. Cancer cells are dependent on nucleases for their survival in response to DNA damage. Also, in certain cancers which exhibit mutations in DNA damage response pathways, inhibiting key nucleases can lead to selective cancer cell killing ie synthetic lethality.

As part of the agreement, Artios will receive US\$30 million in the form of an up-front and near-term payments. If Merck KGaA, Darmstadt, Germany, chooses to

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exercise the option, subject to double digit option fees, Artios will be eligible to receive up to US\$860 million per target, in addition to up to double digit royalty payments on net sales of each product commercialized by Merck KGaA, Darmstadt, Germany.

Subject to certain conditions, Artios has opt-in rights for joint development and commercialization with Merck KGaA, Darmstadt, Germany, for the programs.

About Artios Pharma Limited

Artios is a leading DNA Damage Response (DDR) company focused on developing first-in-class treatments for cancer. The Company, founded by SV Health Investors in 2016, is led by an experienced scientific and leadership team with proven expertise in DDR drug discovery. It has a unique partnership with Cancer Research UK (CRUK), and collaborations with leading DNA repair researchers worldwide, such as The Institute of Cancer Research (ICR), London, the Netherlands Cancer Institute (NKI) and the National Centre for Biomolecular Research at Masaryk University in the Czech Republic, with their expertise in DNA repair nucleases. Artios is building a pipeline of next-generation DDR programmes to target hard to treat cancers. It is backed by blue chip investors including: AbbVie Ventures, Andera Partners (formerly EdRIP), Arix Bioscience plc, IP Group plc, LSP, M Ventures, Novartis Venture Fund (NVF), Pfizer Ventures and SV Health Investors. Artios is based at the Babraham Research Campus in Cambridge, UK, with offices in New York City, USA. www.artiospharma.com

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About Merck KGaA, Darmstadt, Germany

Merck KGaA, Darmstadt, Germany, a leading science and technology company, operates across healthcare, life science and performance materials. Around 57,000 employees work to make a positive difference to millions of people's lives every day by creating more joyful and sustainable ways to live. From advancing gene editing technologies and discovering unique ways to treat the most challenging diseases to enabling the intelligence of devices – the company is everywhere. In 2019, Merck KGaA, Darmstadt, Germany, generated sales of € 16.2 billion in 66 countries.

The company holds the global rights to the name and trademark "Merck" internationally. The only exceptions are the United States and Canada, where the business sectors of Merck KGaA, Darmstadt, Germany operate as EMD Serono in healthcare, MilliporeSigma in life science, and EMD Performance Materials. Since its founding 1668, scientific exploration and responsible entrepreneurship have been key to the company's technological and scientific advances. To this day, the founding family remains the majority owner of the publicly listed company.