Pfizer Acquires Clinical-Stage Biotech Therachon

Expands Pfizer's rare disease portfolio with potential first-in-class therapy for achondroplasia, a genetic condition and the most common form of short-limb dwarfism

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NEW YORK & BASEL, Switzerland--(BUSINESS WIRE)--Pfizer (NYSE: PFE) today announced that it has entered into a definitive agreement to acquire all the shares of Therachon Holding AG, a privately-held clinical-stage biotechnology company focused on rare diseases, with assets in development for the treatment of achondroplasia and short bowel syndrome (SBS). Under the terms of the agreement, Pfizer will acquire Therachon for $340 million upfront with an additional $470 million in additional payments contingent on the achievement of key milestones in the development and commercialization of TA-46 for the treatment of achondroplasia, a genetic condition and the most common form of short-limbed dwarfism. Achondroplasia can result in serious cardiovascular, neurological and metabolic complications for approximately 250,000 people worldwide. There are currently no approved treatments for achondroplasia.

TA-46 is an investigational, soluble recombinant human fibroblast growth factor receptor 3 (FGFR3) decoy, a mechanism of action that is believed to normalize the overactive FGFR3 signaling pathways that underlie bone development abnormalities associated with achondroplasia. Therachon is developing TA-46 as a weekly subcutaneous injection for children and adolescents living with the condition. TA-46 has completed Phase 1 and has received Orphan Drug Designation from the European Medicines Agency (EMA) and the U.S. Food and Drug Administration (FDA).

Prior to the closing of the transaction with Pfizer, Therachon will spin-off its apraglutide development program into a separate, independent company. Apraglutide is a once-weekly, potential best-in-class GLP-2 analog in Phase 2 development for short bowel syndrome. Pfizer Ventures, the venture capital arm of Pfizer Inc., currently holds a minority stake and will continue to hold an equity stake in the new company.

“At Pfizer, our strategy is focused on advancing the most promising science in the world, regardless of whether it is found inside or outside of our labs,” said Mikael Dolsten, Pfizer Chief Scientific Officer and President, Worldwide Research, Development, and Medical. “By acquiring Therachon, we hope to leverage Pfizer’s leading scientific and development

capabilities to more rapidly advance this potentially promising therapy for people with achondroplasia."

Therachon Chief Executive Officer Luca Santarelli added, "We are thrilled that the work we have done to discover and advance a novel and potentially life-transforming medicine for achondroplasia is now being continued by Pfizer. With its rare disease expertise and worldwide reach, Pfizer is well positioned to accelerate the development of TA-46 and fulfill Therachon's vision of addressing the complications suffered by children with achondroplasia by targeting the molecular root causes of this condition."

The acquisition complements Pfizer's existing research portfolio in rare diseases. "Through the acquisition of Therachon, we believe that we have a significant opportunity to transform the lives of young people with achondroplasia who courageously endure lifelong complications from short-limb dwarfism," said Seng Cheng, Senior Vice President and Chief Scientific Officer of Pfizer's Rare Disease Research Unit. "Pfizer's existing research programs for pediatric growth disorders provide a complementary setting for this potential breakthrough therapy."

"Therachon is a great example of the value that can be built from cutting edge European science," said Therachon Chairman Tom Woiwode, Managing Director at Versant Ventures. "By coupling that research with a strong group of investors and an exceptional management team, Therachon developed a highly innovative therapy for a seriously debilitating condition. We look forward to Pfizer continuing to develop TA-46 in the hope that it will significantly improve the lives of children suffering from achondroplasia."

No other terms of the transaction were disclosed.

Goldman Sachs is acting as exclusive financial advisor and Cooley LLP and Homburger AG are acting as legal advisors to Therachon. Arnold & Porter and Lenz & Staehelin are serving as legal advisors to Pfizer.

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At Pfizer, we apply science and our global resources to bring therapies to people that extend and significantly improve their lives. We strive to set the standard for quality, safety and value in the discovery, development and manufacture of health care products. Our global portfolio includes medicines and vaccines as well as many of the world's best-known consumer health care products. Every day, Pfizer colleagues work across developed and emerging markets to advance wellness, prevention, treatments and cures that challenge the most feared diseases of our time. Consistent with our responsibility as one of the world's premier innovative biopharmaceutical companies, we collaborate with health care providers, governments and local communities to support and expand access to reliable, affordable health care around the world. For more than 150 years, we have worked to make a difference for all who rely on us. We routinely post information that may be important to investors on our website at www.pfizer.com. In addition, to learn more, please visit us on www.pfizer.com and follow us on Twitter at @Pfizer and @Pfizer_News, LinkedIn, YouTube and like us on Facebook at Facebook.com/Pfizer.

About Therachon

Therachon is a clinical-stage global biotechnology company focused on the discovery and development of innovative treatment for severe, rare conditions with significant unmet need. The company is currently advancing a pipeline of therapeutics focused on rare gastrointestinal and musculoskeletal disorders and conditions, including both achondroplasia and short bowel syndrome. Therachon is committed to making a difference in the lives of patients living with serious rare conditions. For more information, visit www.therachon.com. Visit us on Twitter. Visit us on LinkedIn.

Pfizer Disclosure Notice

The information contained in this release is as of May 8, 2019. Pfizer assumes no obligation to update forward-looking statements contained in this release as the result of new information or future events or developments.

This release contains forward-looking information about Pfizer's acquisition of Therachon Holding AG (Therachon), TA-46 for the treatment of achondroplasia and apraglutide for the treatment of for *short bowel syndrome, including their potential benefits, that involves substantial risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Risks and uncertainties include, among other things, risks related to the*

satisfaction of the conditions to closing the transaction in the anticipated timeframe or at all and the possibility that the transaction does not close; risks related to the ability to realize the anticipated benefits of the transaction, including the possibility that the expected benefits from the transaction will not be realized or will not be realized within the expected time period; the risk that the businesses will not be integrated successfully; disruption from the transaction making it more difficult to maintain business and operational relationships; unknown liabilities; the risk of litigation and/or regulatory actions related to the proposed transaction; other business effects, including the effects of industry, market, economic, political or regulatory conditions; future business combinations or disposals; the uncertainties inherent in research and development, including the ability to meet anticipated clinical endpoints, commencement and/or completion dates for our clinical trials, regulatory submission dates, regulatory approval dates and/or launch dates, as well as the possibility of unfavorable new clinical data and further analyses of existing clinical data; the risk that clinical trial data are subject to differing interpretations and assessments by regulatory authorities; whether regulatory authorities will be satisfied with the design of and results from the clinical studies; whether and when any applications may be filed in any jurisdiction for TA-46 or apraglutide; whether and when any such applications may be approved by regulatory authorities, which will depend on myriad factors, including making a determination as to whether the product's benefits outweigh its known risks and determination of the product's efficacy and, if approved, whether any such gene therapy product candidate will be commercially successful; decisions by regulatory authorities impacting labeling, manufacturing processes, safety and/or other matters that could affect the availability or commercial potential of any such gene therapy product candidate; and competitive developments.

A further description of risks and uncertainties can be found in Pfizer's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and in its subsequent reports on Form 10-Q, including in the sections thereof captioned "Risk Factors" and "Forward-Looking Information and Factors That May Affect Future Results", as well as in its subsequent reports on Form 8-K, all of which are filed with the U.S. Securities and Exchange Commission and available at www.sec.gov and www.pfizer.com.

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