



## **Bayer and Arvinas to Collaborate on Human PROTAC® Therapies and Launch a Separate Joint Venture to Develop Agricultural PROTAC® Applications**

June 4, 2019

*- \$110M+ life sciences deal to develop novel PROTAC® candidates for patients with cardiovascular, oncological, and gynecological diseases, and to expand application of PROTAC® degraders to plant health*

*- Bayer and Arvinas to launch a joint venture to develop targeted protein degraders for agricultural applications*

NEW HAVEN, Conn., June 04, 2019 (GLOBE NEWSWIRE) -- Bayer and Arvinas, Inc. (Nasdaq: ARVN), a biopharmaceutical company creating a new class of therapies to degrade disease-causing proteins, today announced an agreement to leverage Arvinas' novel PROTAC® protein degrader technology to develop new human therapeutics for patients with cardiovascular, oncological, and gynecological diseases. In addition, Bayer and Arvinas will jointly launch a new company to leverage Arvinas' PROTAC® technology for agricultural applications. The overall series of arrangements includes over \$110 million in upfront cash and committed funding for the human disease collaboration, the agricultural joint venture, and a direct equity investment by Bayer in Arvinas.

The multi-faceted deal will extend the application of targeted protein degradation to new therapeutic areas and outside human biology. It leverages Arvinas' expertise in targeted protein degradation, a field the company has led since its founding in 2013, and Bayer's decades of experience in developing both human therapies and innovative, sustainable agricultural technologies.

"As the first company founded around targeted protein degradation, we've been excited about the potential to improve the lives of patients since our inception," said John Houston, Ph.D., President and Chief Executive Officer of Arvinas. "However, we've known that the potential of this technology could be broader than drug development. Through these transactions, not only do we plan to expand our reach into new therapeutic areas, but we and Bayer expect to be the first to apply this approach to agriculture, working to safely and efficiently feed the world's growing population. It's a natural next step in our commitment to improving human health."

"With our unique position as a leading company in both Crop Science and Pharmaceuticals, we see a great opportunity to partner with the pioneer of the PROTAC® technology, to advance this technology as quickly as possible to deliver future solutions for sustainable agriculture and innovative medicines for patients," said Kemal Malik, Bayer Board member for Innovation.

### **Pharmaceutical Collaboration and Equity Investment**

Bayer and Arvinas will collaborate to seek to develop a series of novel product candidates for diseases with serious unmet need. Arvinas will receive an upfront payment and committed R&D funding, as well as a direct equity investment in Arvinas. Combined, these committed funds exceed \$60 million. Bayer will own the rights to novel lead structures generated in the collaboration. As programs progress through research, development, and commercialization, Arvinas is also eligible to receive development milestones of over \$685 million and commercial royalties ranging from the mid-single digits to the low double-digits.

### **Agricultural Joint Venture**

In launching a joint venture (JV), Bayer and Arvinas are investing in one of the greatest challenges facing the world: feeding the growing global population. PROTAC® targeted protein degraders have the potential to address resistance mechanisms in plants to existing agricultural solutions, with solutions to control weeds, insects, and disease by leveraging the selectivity and other features of PROTAC® protein degraders. The JV will be committed to leveraging Arvinas' PROTAC® protein degrader technology to create innovative, safe, and sustainable agricultural products. The JV will be supported by intellectual property and over \$55 million in committed funding from Bayer, and by technology and intellectual property from Arvinas. Bayer and Arvinas will equally share governance and equity ownership of the JV.

### **Arvinas Financial Guidance**

The closing of this multi-faceted deal with Bayer, including the pharmaceutical collaboration, direct equity investment, and agricultural JV, will lead to updated financial guidance for Arvinas. With the closing of the transaction, which is subject to clearance under the Hart-Scott-Rodino Antitrust Improvements Act and other customary closing conditions, current cash and investments are expected to be sufficient for planned operations into the second half of 2021.

### **About Bayer**

Bayer is a global enterprise with core competencies in the life science fields of health care and nutrition. Its products and services are designed to benefit people by supporting efforts to overcome the major challenges presented by a growing and aging global population. At the same time, the Group aims to increase its earning power and create value through innovation and growth. Bayer is committed to the principles of sustainable development, and the Bayer brand stands for trust, reliability and quality throughout the world. In fiscal 2018, the Group employed around 117,000 people and had sales of 39.6 billion euros. Capital expenditures amounted to 2.6 billion euros, R&D expenses to 5.2 billion euros. For more information, go to [www.bayer.com](http://www.bayer.com).

## About Arvinas

Arvinas is a clinical-stage biopharmaceutical company dedicated to improving the lives of patients suffering from debilitating and life-threatening diseases through the discovery, development, and commercialization of therapies that degrade disease-causing proteins. Arvinas uses its proprietary technology platform to engineer proteolysis targeting chimeras, or PROTAC® targeted protein degraders, that are designed to harness the body's own natural protein disposal system to selectively and efficiently degrade and remove disease-causing proteins. The company's lead program, ARV-110 for the treatment of patients with metastatic castrate-resistant prostate cancer, began a Phase 1 clinical trial in the first quarter of 2019. For more information, see [www.arvinas.com](http://www.arvinas.com).

## Forward-Looking Statements

This press release contains forward-looking statements that involve substantial risks and uncertainties, including statements regarding the consummation of the pharmaceutical collaboration, direct equity investment, and agricultural JV, whether the collaboration will yield any viable product candidates, potential milestone payments or royalty payments in connection with the collaboration, the potential benefits of the collaboration and JV in the human therapeutic and agricultural fields, respectively, the potential advantages and therapeutic potential of our product candidates and the sufficiency of cash resources. All statements, other than statements of historical facts, contained in this press release, including statements regarding our strategy, future operations, prospects, plans and objectives of management, are forward-looking statements. The words "anticipate," "believe," "estimate," "expect," "intend," "may," "might," "plan," "predict," "project," "target," "potential," "will," "would," "could," "should," "continue," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make as a result of various risks and uncertainties, including but not limited to: the satisfaction or waiver of the conditions to the closing of the pharmaceutical collaboration, direct equity investment, and agricultural JV, each party's ability to perform its obligations under the collaboration and/or the JV, whether our cash resources will be sufficient to fund our foreseeable and unforeseeable operating expenses and capital expenditure requirements on our expected timeline and other important factors discussed in the "Risk Factors" sections contained in our quarterly and annual reports on file with the Securities and Exchange Commission. The forward-looking statements contained in this press release reflect our current views with respect to future events, and we assume no obligation to update any forward-looking statements except as required by applicable law. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this release.

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