



Morphic Announces that AbbVie Exercises License Option to $\alpha_v\beta_6$ Integrin Inhibitor Program, Including MORF-720, for Fibrotic Diseases

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AbbVie to pay Morphic license fee of \$20 million, with future potential milestones and royalties

AbbVie to lead further development and commercialization

WALTHAM, Mass., Aug. 25, 2020 (GLOBE NEWSWIRE) -- Morphic Therapeutic (NASDAQ: MORF), a biopharmaceutical company developing a new generation of oral integrin therapies for the treatment of serious chronic diseases, and AbbVie (NYSE: ABBV) today announced that AbbVie has exercised a license option under the companies' research and development collaboration agreement to develop Morphic's $\alpha_v\beta_6$ integrin inhibitors for the treatment of fibrotic diseases including idiopathic pulmonary fibrosis (IPF) and additional indications. The $\alpha_v\beta_6$ integrin activates transforming growth factor beta (TGF- β), a key driver of tissue fibrosis. The license covers $\alpha_v\beta_6$ integrin specific inhibitors discovered from Morphic's proprietary MInT Platform, including the compounds MORF-720 and MORF-627, which are supported by an extensive preclinical data package demonstrating potential as treatments for IPF as well as other fibrotic diseases. Pursuant to the agreement between Morphic and AbbVie, Morphic will receive a license fee of \$20 million, with potential future development milestone payments and royalties from the sales of any commercialized candidates.

"The preclinical data strongly support Morphic's selective small molecule inhibitors of $\alpha_v\beta_6$ for development in fibrotic disease. AbbVie has been an excellent partner through the preclinical development of this program and we believe that their decision to assume leadership for the next stages of development is a strong vote of confidence in our collaboration, as well as Morphic's MInT platform to generate orally available integrin inhibitors," said Praveen Tipirneni, MD, president and chief executive officer of Morphic Therapeutic.

About the Morphic-AbbVie Agreement

Under the terms of the original agreement, AbbVie paid Morphic an upfront payment of \$100 million for exclusive license options on product candidates directed at multiple targets. For each target, Morphic will conduct R&D activities through the completion of IND-enabling studies, at which point AbbVie may pay a license fee to exercise its exclusive license option and assume responsibility for global development and commercialization. Morphic is also eligible for additional, undisclosed clinical and commercial milestone payments and tiered royalties on worldwide net sales for each compound. Morphic retains cost-sharing rights in the development of liver fibrosis indications, and may opt into paying a percentage of AbbVie's development costs in exchange for enhanced royalties.

About Fibrosis and TGF- β

Fibrosis occurs when chronic inflammation or persistent injury leads to the development of excessive connective tissue, which can lead to organ damage and impaired function. Fibrotic diseases can affect nearly all tissues and organ systems and, due to limited treatment options, can cause serious illness and death.

The pro-fibrotic cytokine TGF- β is a key regulator of fibrosis, but attempts to globally suppress its activity have suffered from a narrow therapeutic index (dose-limiting toxicity). Several integrins, such as $\alpha_v\beta_6$, play a dominant role in local activation of TGF- β in diseased tissues. Inhibition of these integrins is therefore a compelling strategy for treating chronic fibrotic diseases with significant advantage over global TGF- β inhibitors.

About Morphic Therapeutic

Morphic Therapeutic is a biopharmaceutical company developing a new generation of oral integrin therapies for the treatment of serious chronic diseases, including autoimmune, cardiovascular and metabolic diseases, fibrosis and cancer. In collaboration with AbbVie, Janssen, and Schrödinger, Morphic is advancing its pipeline and discovery activities using its proprietary MInT technology platform which leverages the Company's unique understanding of integrin structure and biology. For more information, visit www.morphictx.com.

Morphic Cautionary Note Regarding Forward-Looking Statements

This press release contains "forward-looking" statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including, but not limited to: Morphic's or Morphic's partners' plan to develop and commercialize oral small-molecule integrin therapeutics; the ability of MORF-720, MORF-627 or another $\alpha_v\beta_6$ integrin inhibitor to treat idiopathic pulmonary fibrosis or any other fibrotic disease; and Morphic's expectations about timing and ability to obtain regulatory approvals for MORF-720, MORF-627 or any other of its product candidates. Statements including words such as "believe," "plan," "continue," "expect," "will be," "develop," "signal," "potential," or "ongoing" and statements in the future tense are forward-looking statements. These forward-looking statements involve risks and uncertainties, as well as assumptions, which, if they do not fully materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements are subject to risks and uncertainties that may cause Morphic's actual activities or results to differ significantly from those expressed in any forward-looking statement, including risks and uncertainties related to Morphic's or, in the case of MORF-720, MORF-627 or another $\alpha_v\beta_6$ integrin inhibitor AbbVie's, ability to develop, obtain regulatory approval for and commercialize MORF-720, MORF-627 or another $\alpha_v\beta_6$ integrin inhibitor or any other product candidates, the timing and results of preclinical studies and clinical trials, Morphic's ability to protect intellectual property; and other risks set forth in our filings with the Securities and Exchange Commission. These forward-looking statements speak only as of the date hereof and Morphic specifically disclaims any obligation to update these forward-looking statements or reasons why actual results might differ, whether as a result of new information, future events or otherwise, except as required by law.

About AbbVie

AbbVie's mission is to discover and deliver innovative medicines that solve serious health issues today and address the medical challenges of

tomorrow. We strive to have a remarkable impact on people's lives across several key therapeutic areas: immunology, oncology, neuroscience, eye care, virology, women's health and gastroenterology, in addition to products and services across its Allergan Aesthetics portfolio. For more information about AbbVie, please visit us at www.abbvie.com. Follow [@abbvie](https://twitter.com/abbvie) on Twitter, [Facebook](https://www.facebook.com/abbvie) or [LinkedIn](https://www.linkedin.com/company/abbvie).

AbbVie Forward-Looking Statements

Some statements in this news release are, or may be considered, forward-looking statements for purposes of the Private Securities Litigation Reform Act of 1995. The words "believe," "expect," "anticipate," "project" and similar expressions, among others, generally identify forward-looking statements. AbbVie cautions that these forward-looking statements are subject to risks and uncertainties, including the impact of the COVID-19 pandemic on AbbVie's operations, results and financial results, that may cause actual results to differ materially from those indicated in the forward-looking statements. Such risks and uncertainties include, but are not limited to, failure to realize the expected benefits of the Allergan acquisition, failure to promptly and effectively integrate Allergan's businesses, significant transaction costs and/or unknown or inestimable liabilities, potential litigation associated with the Allergan acquisition, challenges to intellectual property, competition from other products, difficulties inherent in the research and development process, adverse litigation or government action, and changes to laws and regulations applicable to our industry. Additional information about the economic, competitive, governmental, technological and other factors that may affect AbbVie's operations is set forth in Item 1A, "Risk Factors," of AbbVie's 2019 Annual Report on Form 10-K, which has been filed with the Securities and Exchange Commission (SEC). AbbVie undertakes no obligation to release publicly any revisions to forward-looking statements as a result of subsequent events or developments, except as required by law.

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