Scholar Rock Announces $20 Million Series A Financing

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Company to advance novel "niche modulators" toward clinical development

CAMBRIDGE, Mass., Sept. 15, 2014 – Scholar Rock, a biotechnology company discovering and developing niche modulators that selectively target protein growth factors in the disease microenvironment, today announced a $20 million Series A financing.

Proceeds from the financing will be used to advance proprietary niche modulators from preclinical research toward clinical drug development. ARCH Venture Partners, a new investor, led the round with the participation of founding investors, Polaris Partners and Timothy Springer. Also participating in the round were new investors, EcoR1 Capital and The Kraft Group.

"This financing by an investor group with deep experience in the life sciences industry underscores the tremendous progress that the Scholar Rock team has made in establishing a novel paradigm in biologic drug discovery," said Nagesh Mahanthappa, PhD, Chief Executive Officer and President of Scholar Rock. "Our experienced leadership team is now ready to advance niche modulator therapeutics in important areas of unmet need such as fibrosis, musculoskeletal diseases, and autoimmunity."

Scholar Rock, founded by Professors Timothy Springer, PhD, and Leonard Zon, MD, both of Boston Children's Hospital and Harvard Medical School, has developed a novel approach for selectively targeting protein growth factors based on new understandings of their molecular mechanisms of activation. Scholar Rock's niche modulator technology allows the activation mechanism of protein growth factors to be selectively regulated in the disease microenvironment of specific types of cells and tissues. By doing so, these niche modulators are able to control the key functions of growth factors in cell growth and differentiation, as well as to achieve highly specific therapeutic effects at the site of disease.

"Scholar Rock has assembled the expertise, technology and strategies to transform a powerful area of biology using niche modulators into the kind of new platform for drug development that we believe has the potential to build extraordinary value with significant impact on major diseases," said Kristina Burow, Managing Director of ARCH Venture Partners.

"Growth factors have long been recognized as extremely important disease targets. Scholar Rock's new paradigm of targeting these factors locally, thereby avoiding undesirable systemic effects, is unique and holds the promise of developing highly effective and safe therapeutics to treat many difficult to treat diseases," said Amir Nashat, Chairman of Scholar Rock and Managing General Partner of Polaris Partners.

Scholar Rock's current proprietary and partnered drug discovery programs are focused on niche modulators that target specific growth factors, including members of the TGF-beta superfamily, which are present in many disease microenvironments. The company's R&D approach is yielding therapeutic candidates designed to improve on current therapies by having greater selectivity and potency, as well as to reduce systemic side effects. Focus areas include fibrosis, musculoskeletal diseases and autoimmunity. Scholar Rock has an ongoing research collaboration with Johnson & Johnson Innovation and its affiliate Janssen Biotech, Inc., to discover and develop novel biologic therapeutics that regulate signaling in the immune system by targeting TGF-beta 1.

About Niche Modulators
Scholar Rock's therapeutics are designed to the target the activation mechanism of protein growth factors selectively in the microenvironment of specific types of cells and tissues. By doing so, these niche modulators are able to achieve highly localized therapeutic effects at the site of disease and also avoiding undesirable side effects that can result from systemic modulation of such growth factors.

About Scholar Rock
Scholar Rock is a biotechnology company focused on discovering and developing niche modulators, a novel class of biologic therapies that selectively modulate the activation of growth factors in the disease microenvironment. The Company's initial proprietary and partnered drug discovery programs target specific growth factors, including members of the TGF-beta superfamily, which are present in the microenvironments of significant diseases such as fibrosis, diseases of the musculoskeletal systems and autoimmune diseases. Scholar Rock was founded based on discoveries made by its scientific founders, Professors Tim Springer, PhD, and Leonard Zon, MD, of Boston Children's Hospital and Harvard Medical School, related to the molecular mechanisms of growth factor activation. The company is backed by leading life sciences investors, including Polaris Partners, Timothy Springer, ARCH Venture Partners, EcoR1 Capital and The Kraft Group.

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