

Schrödinger Provides Update on Progress Across the Business and Outlines 2024 Development and Operational Goals

1/8/2024

Announces Expanded Multi-Year Software Agreement with Lilly

Continued Focus in 2024 on Advancing Science Underlying Platform, Driving Software Adoption and Progressing Proprietary Pipeline

NEW YORK--(BUSINESS WIRE)-- **Schrödinger**, Inc. (Nasdaq: SDGR), Schrödinger (Nasdaq: SDGR), whose physics-based computational platform is transforming the way therapeutics and materials are discovered, today provided an update on its progress across the business and announced its development and operational goals for 2024.

Today Schrödinger announced an expanded, three-year, software agreement with Eli Lilly and Company. The three-year agreement builds on the collaboration established in 2022. The agreement provides Lilly with large-scale access to Schrödinger's full suite of technologies to enable and accelerate all stages of drug discovery, from target enablement and assessment of target druggability to hit discovery and lead optimization activities through development candidate identification. Schrödinger will provide advanced support to ensure full integration and optimization of the platform across Lilly's research sites.

"We made important progress across the business in 2023, working with Lilly and other companies to enable more discovery programs at scale, expanding the capabilities of our platform, and increasing our focus on our proprietary pipeline,¹ which now includes two clinical-stage development candidates," stated Ramy Farid, Ph.D., chief executive officer at Schrödinger. "We see continued opportunities this year to grow our software business, progress a third development candidate into the clinic, and advance our ongoing clinical studies to enable data

readouts from our first two patient trials in late 2024 or 2025.”

“Our conviction about our own programs is increasing. We continue to be selective about entering new collaborations, and we will allocate more of our drug discovery resources to our proprietary pipeline this year,” stated Geoff Porges, MBBS, chief financial officer of Schrödinger. “We expect our drug discovery revenue in 2024 to be similar to or lower than 2022,² reflecting these changes in our strategic priorities and the strategic decisions by certain partners to return programs in 2023. We believe our increased focus on our proprietary pipeline creates multiple paths for generating meaningful value in the coming years.”

2023 Achievements

Today Schrödinger highlighted several 2023 achievements:

Proprietary Pipeline

- Presented initial results from the healthy volunteer study of SGR-1505, its MALT1 inhibitor
- Advanced the Phase 1 study of SGR-1505 in patients with advanced B-cell malignancies, including expanding the study at additional sites in the U.S. and Europe
- Received FDA orphan drug designation for SGR-1505 in mantle cell lymphoma
- Received IND clearance for SGR-2921, its CDC7 inhibitor, and initiated a Phase 1 study in patients with AML and MDS
- Advanced SGR-3515, its Wee1/Myt1 inhibitor, to development candidate status and initiated IND-enabling activities
- Presented preclinical data for SGR-1505 and SGR-2921 at the American Society of Hematology (ASH) Annual Meeting and for the NLRP3 program at the Inflammasome Therapeutics Summit
- Progressed newly disclosed discovery programs, including EGFR^{C797S}, PRMT5-MTA and NLRP3 discovery programs

Platform

- Released new and major improvements to existing technologies, including enabling the optimization of certain key ADMET properties, the first full release of technology to predict antibody affinity as a function of pH, software to more accurately predict small molecule pKa values, and a computational approach to identify brain penetrant molecules
- Published 21 peer-reviewed articles in life sciences and materials science journals

Business

- Appointed Margaret Dugan, M.D., as chief medical officer to lead clinical development and regulatory strategy for Schrödinger’s proprietary pipeline
- Strengthened balance sheet with \$147.3M in cash distributions from Nimbus’s sale of its TYK2 inhibitor to Takeda
- Renewed and expanded battery research agreement with Gates Ventures for second three-year term
- Published inaugural corporate sustainability report

2024 Development and Operational Goals

Today Schrödinger outlined the following development and operational goals for 2024:

Development Goals

- Advance the Phase 1 study of SGR-1505 in advanced B cell malignancies to enable initial data release in late 2024 or 2025
- Advance the Phase 1 study of SGR-2921 in patients with AML/MDS to enable initial data release in late 2024 or 2025
- Submit the IND application for SGR-3515 in the first half of 2024 and initiate a Phase 1 study in 2024
- Advance the discovery-stage proprietary pipeline to enable an additional IND submission in 2025
- Present additional data from proprietary programs in one or more peer-reviewed forums
- Progress platform capabilities associated with biologics
- Publish research from the Gates battery research project building on existing publications

Operational Goals

- Drive continued scale up and adoption of Schrödinger’s software platform across life sciences and materials science industries
- Generate positive returns from strategic investments of Schrödinger’s technology, expertise and capital

Schrödinger will report its fourth quarter and full-year financial results and provide 2024 financial guidance on Wednesday, February 28, 2024, after the financial markets close. The company will host a conference call and webcast at 4:30 p.m. ET.

About Schrödinger

Schrödinger is transforming the way therapeutics and materials are discovered. Schrödinger has pioneered a physics-based computational platform that enables discovery of high-quality, novel molecules for drug development and materials applications more rapidly and at lower cost compared to traditional methods. The software platform is licensed by biopharmaceutical and industrial companies, academic institutions, and

government laboratories around the world. Schrödinger's multidisciplinary drug discovery team also leverages the software platform to advance a portfolio of collaborative and proprietary programs to address unmet medical needs.

Founded in 1990, Schrödinger has approximately 850 employees and is engaged with customers and collaborators in more than 70 countries. To learn more, visit www.schrodinger.com, follow us on [LinkedIn](#) and [Instagram](#), or visit our blog, [Extrapolations.com](#).

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995, including but not limited to those regarding the potential advantages of our computational platform, our research and development efforts for our proprietary drug discovery programs and our platform, the initiation, timing, progress, and results of our proprietary drug discovery programs and the drug discovery programs of our collaborators, the clinical potential and favorable properties of our CDC7, MALT1, and Wee1/Myt1 inhibitors, including SGR-1505, SGR-2921, SGR-3515, and other compounds discovered with our platform, the timing of potential IND submissions as well as initiation of, and reporting results from, clinical trials for our proprietary drug discovery programs, the clinical potential and favorable properties of our collaborators' product candidates, our expectations relating to our drug discovery revenue for the fiscal year ending December 31, 2024, our ability to realize milestones, royalties, and other payments from our collaborative and proprietary programs, our plans to discover and develop product candidates and to maximize their commercial potential by advancing such product candidates ourselves or in collaboration with others, our plans to leverage the synergies between our businesses, and our progress towards achieving our strategic priorities are forward-looking statements. Statements including words such as "aim," "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "goal," "intend," "may," "might," "plan," "potential," "predict," "project," "should," "target," "will," "would" and statements in the future tense are forward-looking statements. These forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Actual results may differ materially from those described in the forward-looking statements and are subject to a variety of assumptions, uncertainties, risks and factors that are beyond our control, including the demand for our software solutions, our ability to further develop our computational platform, our reliance upon our third-party drug discovery collaborators, the uncertainties inherent in drug development and commercialization, such as the conduct of research activities and the timing of and our ability to initiate and complete preclinical studies and clinical trials, whether results from preclinical and early clinical studies will be predictive of results of later preclinical studies and clinical trials, uncertainties associated with the regulatory review of clinical trials and applications for marketing approvals, the ability to retain and hire key personnel and other risks detailed under the caption "Risk Factors" and elsewhere in

our Securities and Exchange Commission filings and reports, including our Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 1, 2023, as well as future filings and reports by us. Any forward-looking statements contained in this press release speak only as of the date hereof. Except as required by law, we undertake no duty or obligation to update any forward-looking statements contained in this press release as a result of new information, future events, changes in expectations or otherwise.

Footnotes

¹The company refers to its wholly-owned drug discovery programs as its proprietary drug discovery pipeline and programs advanced by or with the company's collaborators as its collaborative programs.

²The company reported \$45.4 million in drug discovery revenue for the fiscal year ended December 31, 2022.

Matthew Luchini (investors)

Schrödinger, Inc.

matthew.luchini@schrodinger.com

917-719-0636

Allie Nicodemo (Media)

Schrödinger, Inc.

allie.nicodemo@schrodinger.com

617-356-2325

Source: Schrödinger