UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **August 3, 2017**

ACLARIS THERAPEUTICS, INC.
(Exact name of Company as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

001-37581	**46-0571712**
(Commission File No.)	(IRS Employer Identification No.)

101 Lindenwood Drive, Suite 400
Malvern, PA 19355
(Address of principal executive offices and zip code)

Company's telephone number, including area code: **(484) 324-7933**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Company under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the Company is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the Company has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

Item 1.01 Entry into a Material Definitive Agreement.

On August 3, 2017, Aclaris Therapeutics, Inc. (the "***Company***"), entered into an Agreement and Plan of Merger (the "***Merger Agreement***") with Confluence Life Sciences, Inc., a Delaware corporation ("***Confluence***"), Aclaris Life Sciences, Inc., a Delaware corporation and wholly owned subsidiary of the Company ("***Merger Sub***"), and Fortis Advisors LLC, as representative of the holders of Confluence equity (the "***Confluence Equityholder Representative***"). The Merger Agreement provides for Merger Sub to merge with and into Confluence (the "***Merger***"), with Confluence surviving as a wholly owned subsidiary of the Company, subject to the terms and conditions set forth in the Merger Agreement. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Merger Agreement.

Pursuant to the Merger Agreement, and upon the terms and subject to the conditions thereof, at the closing, the Company is required to pay holders of Confluence's capital stock and options to purchase Confluence's common stock (collectively, the "***Confluence Equityholders***"), upfront consideration of $20,000,000, consisting of, and subject to adjustment with respect to, the following: (A) an amount in cash equal to (i) $10,000,000, plus (ii) all cash and cash equivalents held by Confluence and its subsidiaries at Closing, plus (iii) the aggregate exercise price of all outstanding Confluence options, plus (iv) the amount, if any, by which the Closing Net Working Capital is greater than the Target Working Capital, minus (v) the amount, if any, by which the Closing Net Working Capital is less than the Target Working Capital, minus (vi) $1,000,000, set aside in escrow, minus (vii) the Unpaid Company Transaction Expenses, minus (viii) an amount set aside for expenses incurred by the Confluence Equityholder Representative and minus (ix) an amount equal to any indebtedness of Confluence at closing; and (B) (i) 349,527 shares of the Company's common stock, $0.00001 par value per share (the "***Common Stock***"), which number of shares is determined by dividing $10,000,000 by the average closing price of the Common Stock on The Nasdaq Global Select Market for the 20 consecutive trading days ending on the trading day immediately preceding the closing date (the "***Common Stock Price***"), with adjustments to avoid the issuance of fractional shares, minus (ii) 34,955 shares of Common Stock set aside in escrow, which number of shares is determined by dividing $1,000,000 by the Common Stock Price. The Confluence Equityholders receiving shares of Common Stock in the Merger are required to sign lock-up agreements that, among other things, provide for a lock-up period of six months for all shares issued in the Merger.

The Company has also agreed to pay the Confluence Equityholders contingent consideration of up to $80,000,000 upon the Company's achievement of specified development, regulatory and commercial milestones set forth in the Merger Agreement. Of the contingent consideration, up to $2,500,000 may be paid in shares of the Common Stock upon the achievement of a specified development milestone. In addition to the foregoing contingent payments, the Company has agreed to pay the Confluence Equityholders specified future royalty payments calculated as a low single-digit percentage of annual net sales, subject to specified reductions, limitations and other adjustments, until the date that all of the patent rights for a particular product have expired, as determined on a country-by-country and product-by-product basis or, in specified circumstances, ten years from the first commercial sale of such product. In addition, if the Company sells, licenses or transfers any of the intellectual property acquired from Confluence pursuant to the Merger Agreement to a third party, the Company will be obligated to pay the Confluence Equityholders a portion of any incremental consideration (in excess of the development and milestone payments described above) that the Company receives from such sales, licenses or transfers in specified circumstances.

The Merger Agreement contains customary representations, warranties, covenants and indemnities of each of the Company and Confluence.

The foregoing summary is qualified in its entirety by reference to the Merger Agreement, which the Company expects to file as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ending September 30, 2017. The representations, warranties and covenants contained in the Merger Agreement were made only for the purposes of the Merger Agreement, were made as of specific dates, and were made solely for the benefit of the parties to the Merger Agreement and may not have been intended to be statements of fact but, rather, as a method of allocating risk and governing the contractual rights and relationships among the parties to the Merger Agreement. The assertions embodied in those representations and warranties may be subject to important qualifications and limitations agreed to by the Company and Confluence in connection with negotiating their respective terms. Moreover, the representations and warranties may be subject to a contractual standard of materiality that may be different from what may be viewed as material to stockholders of the Company. For the foregoing reasons, none of the Company's stockholders or any other person should rely on such representations and warranties, or any characterizations thereof, as statements of factual information at the time they were made or otherwise.

The Merger Agreement and the transactions contemplated in the Merger Agreement have been unanimously approved by the Company's board of directors.

Item 2.01 Completion of Acquisition or Disposition of Assets.

On August 3, 2017, the Company completed the Merger described in Item 1.01 of this Current Report and paid all consideration required to be paid at the closing pursuant to the Merger Agreement. On that date, the Company paid approximately $8,694,500 and reserved for issuance an aggregate of 314,572 shares of Common Stock to the Confluence Equityholders and deposited $1,000,000 in cash and 34,955 shares of Common Stock into escrow as prescribed by the Merger Agreement.

Item 3.02 Unregistered Sale of Equity Securities.

Pursuant to the Merger described in Item 1.01 of this Current Report on Form 8-K, which description is incorporated by reference into this Item 3.02 in its entirety, on August 3, 2017, the Company issued, or reserved for issuance, an aggregate of 349,527 shares of Common Stock, including 34,955 shares of Common Stock set aside in escrow, to "accredited investors," as that term is defined in the Securities Act of 1933, as amended (the "***Securities Act***"), in reliance on the exemption from registration afforded by Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated under the Securities Act and corresponding provisions of state securities or "blue sky" laws. Each of the Confluence Equityholders receiving shares of Common Stock in the Merger has, or will have prior to receipt of such shares, represented that it was acquiring such shares for investment only and not with a view towards, or for resale in connection with, the public sale or distribution thereof. Such shares have not been registered under the Securities Act and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act and any applicable state securities laws.

Neither this Current Report on Form 8-K nor any exhibit attached hereto is an offer to sell or the solicitation of an offer to buy shares of Common Stock or other securities of the Company.

Item 7.01 Regulation FD Disclosure

On August 8, 2017, the Company issued a press release (the "***Press Release***") announcing the closing of the Merger. A copy of the Press Release is furnished herewith as Exhibit 99.1 to this report. On August 8, 2017, the Company will also be conducting a conference call and live audio webcast to discuss the Company's financial results for the quarter and six months ended June 30, 2017, business updates, and the Merger. A copy of the slide presentation that the Company will be using in connection with this conference call is furnished herewith as Exhibit 99.2 to this report.

In accordance with general instruction B.2 to Form 8-K, the information in this Item 7.01, including the Press Release and slide presentation furnished as exhibits hereto, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act or Exchange Act.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Exhibit Description
99.1	Press Release, dated August 8, 2017
99.2	Presentation titled “Confluence Acquisition” dated August 2017.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 8, 2017

ACLARIS THERAPEUTICS, INC.

By: /s/ Frank Ruffo
Frank Ruffo
Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Exhibit Description
99.1	Press Release, dated August 8, 2017
99.2	Presentation titled “Confluence Acquisition” dated August 2017.

Aclaris Therapeutics Acquires Confluence Life Sciences, Inc.

Expands pipeline of medicines for the potential treatment of patients with autoimmune disorders

Management to Host Conference Call at 8:30 AM ET today

Malvern, PA, – August 8, 2017 (GLOBE NEWSWIRE) – Aclaris Therapeutics, Inc. ("Aclaris") (NASDAQ: ACRS), a dermatologist-led, biopharmaceutical company focused on identifying, developing and commercializing innovative and differentiated therapies to address significant unmet needs in medical and aesthetic dermatology, today announced that it has acquired Confluence Life Sciences, Inc. ("Confluence"), a privately held biotechnology company focused on the discovery and development of kinase inhibitors to treat inflammatory and immunological disorders and cancer. At the closing, Aclaris paid approximately $10 million in cash and issued approximately 350,000 shares of its common stock, with a value of approximately $10 million on the closing date, to the former equityholders of Confluence.

Acquisition Rationale:

Assets - This strategic acquisition expands Aclaris' inflammation and immunology pipeline with the addition of Confluence's lead product candidates: CDD-450, a novel MK-2 pathway inhibitor, topical Janus kinase inhibitors ("soft JAK"), and IL2-inducible T-cell kinase ("ITK") inhibitor programs:

- CDD-450 is a novel MK-2 pathway inhibitor and will be studied in relation to regulation of TNF-α and IL-1β via the p38/MK-2 kinase pathway. The p38/MK-2 pathway is a transducer of inflammation, and selective inhibitors of the MK-2 pathway are being investigated for their potential ability to block inflammatory cytokine production and activity and thereby restore balance to the body's immune system. MK-2 inhibitors have the potential to treat patients with a variety of autoimmune diseases such as psoriatic arthritis, inflammatory bowel disease, and rheumatoid arthritis. CDD-450 is being developed as an oral alternative to anti-TNF/IL-1 biologics.
- Soft JAK inhibitors may be topically applied and active in the skin, but will be rapidly metabolized and inactivated when they enter the bloodstream, which may result in significantly reduced systemic exposure. The JAK family of kinases are a subgroup of non-receptor tyrosine kinases that are essential in transducing signals originating from cytokine receptors, and whose enzymatic activity is essential for the biological activity of the cytokines in the immune system. JAK inhibitors may be useful for treating inflammatory and autoimmune disorders such as alopecia areata, vitiligo, atopic dermatitis and others.
- ITK inhibitors are non-receptor tyrosine kinase inhibitors of the activity of IL2-inducible T-cell kinase (ITK), thereby interfering with the development and effector function of immune system T-cells. ITK is a key signaling component of all T-cell receptors ("TCRs") and is also key for regulating IL-17 expression. The combination of inhibiting TCRs (inhibiting T-cell maturation and activation) as well as IL-17 means an ITK inhibitor can be thought of as a "small molecule anti-IL-17", but with broader immunomodulatory activity. ITK inhibitors have potential therapeutic applications in autoimmune and inflammatory diseases such as psoriasis and atopic dermatitis.

Drug Discovery Platform – The KINect™ Technology Platform – is a kinase-focused drug discovery engine utilizing computational chemistry to integrate proprietary compound collections and highly experienced biologists and medicinal chemists to identify and advance potential candidates into preclinical and clinical development. The platform is focused on kinase targets relevant to immunology – autoimmune disease and chronic inflammation. The KINect™ library focuses

on both reversible and irreversible inhibitors and interrogates both Type 1 and Type 2 kinase conformations as compared with competitors who only focus on a few subgroups of Type 1 structures. The compound library is directed toward the cysteinome subset of kinases (60% of the kinome) which contains many important but hard-to-drug kinases.

People - The Confluence team is a fully-integrated small molecule drug discovery team, some of whom formerly served as the Pfizer kinase program leaders and were responsible for co-inventing the JAK inhibitor tofacitinib. Their team of kinome experts – chemists and biologists - have a combined 300+ years of drug discovery experience. The Confluence team is led by:

- Walter Smith (CEO) - Former VP Research & Global Head, Pfizer Inflammation, co-leader of Pfizer Licensing Team. Delivered 8 clinical candidates, 6 INDs and 1 NDA in inflammation and cancer.
- Joseph Monahan, Ph.D. (CSO/Founder) - Former Executive Director, Pfizer Inflammation Research and Leader of Global Kinase Technology Team; >95 publications and patents (>30 total on kinases).
- Jon Jacobsen, Ph.D. (Chemistry Director) - Former Research Fellow and Director, Pfizer Chemistry; >100 publications and patents (15 total on kinases); Project Lead for Pfizer's JAK Program.
- Paul Changelian, Ph.D. (Biology Director) - Immunologist/drug discovery leader at pharma (Pfizer) & biotech (Lycera, Infinity). Validated JAK 1/3 as target for transplant / RA / psoriasis, leading to the approval of Xeljanz®

Confluence Discovery Technologies (CDT) – is Confluence's contract research arm which is currently working on 90+ projects with 30+ clients spanning large biotech and pharma to smaller start-up biopharmaceutical companies. Clients utilize CDT to supplement their R&D for difficult-to-execute specialty skill bases and programs which are difficult to source. Aclaris plans to retain all current talent and will continue to support its existing drug development plans with expected revenue from the contract research business.

"Confluence is at the forefront of innovation in the discovery and development of new compounds and new approaches to treating patients with severe and debilitating autoimmune and inflammatory diseases," said Neal Walker, President and Chief Executive Officer of Aclaris. "The Confluence acquisition enables Aclaris to solidify its existing position in inflammatory/autoimmune skin disorders and expand into relevant adjacent therapeutic areas. The KINect™ Platform will provide our own in-house discovery and rational drug design platform. The acquisition is a significant step forward in building a fully integrated biopharmaceutical company, and we look forward to progressing Confluence's MK-2, soft JAK and ITK inhibitor programs."

"We are delighted to enter into this transaction with Aclaris," said Walter Smith, Chief Executive Officer of Confluence. "Their commitment to patients and scientific innovation makes them an ideal partner to continue to advance our drug discovery programs. This transaction expands an existing collaboration between two companies with a striking degree of complementarity. Aclaris is taking a lead role in dermatology-related inflammation and immunologic disorders of the skin—particularly in JAK inhibitors for hair loss disorders. In parallel, Confluence brings established drug discovery and development capabilities for JAK inhibitors, as well as for additional kinase inhibitors with immediate relevance to dermatology. I would like to thank the Confluence investors, including the Mercury Fund, St. Louis BioGenerator, Missouri Technology Corporation and Epidarex Capital, for their support."

Company to Host Conference Call

Management will conduct a conference call at 8:30 AM ET today to discuss Aclaris' financial results and provide a general business update. The conference will be webcast live over the Internet and can be accessed by logging on to the "Investors" page of the Aclaris Therapeutics website, www.aclaristx.com, prior to the event. A replay of the webcast will be archived on the Aclaris Therapeutics website for 30 days following the call.

To participate on the live call, please dial (844) 776-7782 (domestic) or (661) 378-9535 (international), and reference conference ID **54200846** prior to the start of the call.

Terms of the Transaction

Under the terms of the merger agreement executed by Aclaris and Confluence, Confluence's equity holders were entitled to receive upfront consideration of $10 million in cash, subject to working capital and other customary adjustments, and shares of Aclaris common stock having a value of approximately $10 million as of the closing date.

Confluence equity holders are eligible to receive up to an additional $80 million in contingent payments upon the achievement of certain development, regulatory and commercial milestones, and will also be entitled to receive potential royalty payments equal to a low single-digit percentage of net sales of covered products.

About Aclaris Therapeutics, Inc.
Aclaris Therapeutics, Inc. is a dermatologist-led biopharmaceutical company focused on identifying, developing and commercializing innovative and differentiated therapies to address significant unmet needs in medical and aesthetic dermatology. Aclaris is focused on large, underserved market segments with no FDA-approved medications or where treatment gaps exist. Aclaris is based in Malvern, Pennsylvania and more information can be found by visiting the Aclaris website at www.aclaristx.com.

Cautionary Note Regarding Forward-Looking Statements
Any statements contained in this press release that do not describe historical facts may constitute forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements may be identified by words such as "believe", "expect", "may", "plan," "potential," "will," and similar expressions, and are based on Aclaris' current beliefs and expectations. These forward-looking statements include expectations regarding the potential benefits of the Confluence acquisition and the clinical development of the combined companies' drug candidates. These statements involve risks and uncertainties that could cause actual results to differ materially from those reflected in such statements. Risks and uncertainties that may cause actual results to differ materially include uncertainties inherent in the conduct of clinical trials, Aclaris' reliance on third parties over which it may not always have full control, and other risks and uncertainties that are described in the Risk Factors section of Aclaris' Annual Report on Form 10-K for the year ended December 31, 2016, Aclaris' Quarterly Report in Form 10-Q for the quarter ended June 30, 2017, and other filings Aclaris makes with the U.S. Securities and Exchange Commission from time to time. These documents are available under the "Financial Information" section of the Investors page of Aclaris' website at http://www.aclaristx.com. Any forward-looking statements speak only as of the date of this press release and are based on information available to Aclaris as of the date of this release, and Aclaris assumes no obligation to, and does not intend to, update any forward-looking statements, whether as a result of new information, future events or otherwise

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Exhibit 99.2

CONFLUENCE LIFE SCIENCES ACQUISITION

Dr. Neal Walker
President and CEO

August 2017

Disclaimer

Any statements contained in this presentation that do not describe historical facts may constitute forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements may be identified by words such as "believe", "expect", "may", "plan," "potential," "will," and similar expressions, and are based on Aclaris' current beliefs and expectations. These forward-looking statements include expectations regarding the potential benefits of the Confluence acquisition and the clinical development of the combined companies' drug candidates. These statements involve risks and uncertainties that could cause actual results to differ materially from those reflected in such statements. Risks and uncertainties that may cause actual results to differ materially include uncertainties inherent in the conduct of clinical trials, Aclaris' reliance on third parties over which it may not always have full control, and other risks and uncertainties that are described in the Risk Factors section of Aclaris' Annual Report on Form 10-K for the year ended December 31, 2016, Aclaris' Quarterly Report in Form 10-Q for the quarter ended June 30, 2017, and other filings Aclaris makes with the U.S. Securities and Exchange Commission from time to time. These documents are available under the "Financial Information" section of the Investors page of Aclaris' website at http://www.aclaristx.com. Any forward-looking statements speak only as of the date of this presentation and are based on information available to Aclaris as of the date of this release, and Aclaris assumes no obligation to, and does not intend to, update any forward-looking statements, whether as a result of new information, future events or otherwise

This presentation also contains estimates and other statistical data made by independent parties and by us relating to market size and other data about our industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. In addition, projections, assumptions and estimates of our future performance and the future performance of the markets in which we operate are necessarily subject to a high degree of uncertainty and risk.

ACLARIS THERAPEUTICS

Confluence Life Science Acquisition Summary

Assets	• JAK inhibitors - oral and topical - (next generation) • ITK inhibitors - oral and topical - ("anti-IL-17") • MK-2 inhibitor - oral - ("anti-TNF")
Platform	• KINect™ platform – drug discovery engine • Proprietary compound library and computational chemistry capability • Medicinal chemistry, disease biology, immunology, pharmacology and preclinical development expertise
People	• Co-inventors of tofacitinib and former leaders of Pfizer kinase program (including JAK inhibitors) • Kinome experts - chemists and biologists; combined 300+ years of drug discovery experience • Significant experience in small molecule drug discovery through Phase II

ACLARIS THERAPEUTICS

Transaction Founded on a Strategic Partnership

Pre-transaction Aclaris

- Oral and topical assets
- Robust intellectual property estate
- Drug development infrastructure
- Scientific leadership position in Hair Loss (Angela Christiano, Ph.D. / Columbia)
- Near Commercial A-101 Program
- Confluence Collaboration on Topical Soft JAK

Confluence

- Product pipeline that reinforces JAK leadership and expands inflammation/immunology franchise
- KINect™ Kinase Inhibitor Discovery Platform
- Drug development expertise
- Team composed of ex-Pfizer leadership in inflammation and immunology

Fully Integrated Biopharmaceutical Company and Leading Developer of Small Molecule Therapeutics for Immunological Disorders of the Skin and other Organs

ACLARIS THERAPEUTICS

Financial Highlights

Deal Terms	• Confluence equityholders received an upfront payment of $10 million in cash and $10 million in common stock • Up to $80 million in contingent payments upon achievement of certain development, regulatory and commercial milestones, plus additional low-single digit royalties
Financial Implications for Aclaris	• Acquired business is cash neutral to earnings for the six months ended June 30, 2017 • Integration of the Confluence Discovery Technologies CRO business as we incorporate personnel to more fully leverage the St. Louis based operations
Confluence Discovery Technologies	• Retain current talent and invest in growth and our internal capability expansion • 80+ clients since founding spanning large biotech and pharma to smaller start-up biopharmaceutical companies; 90+ projects for 30+ clients in 2017 • Clients span large biotech and pharma to smaller start-up biopharmaceutical companies who utilize CDT to supplement their R&D for difficult-to-execute specialty skill bases and for programs which are difficult to source • 40 Scientists: 40% Ph.D.; 60% B.S./M.S.

ACLARIS THERAPEUTICS

Acquisition of Confluence Expected to Drive Future Growth

Short term and Long term

Synergies in drug discovery through Phase 2
Internalizes preclinical research and development services which are currently outsourced

CRO business facilitates cutting edge technology and disease expertise in immunology, pharmacology and biochemistry
Cash neutral in near-term

Supports and extends Aclaris' JAK kinase inhibitor programs

Enables targeted development of novel therapeutics for inflammation and immunology in dermatology and adjacent therapeutic areas

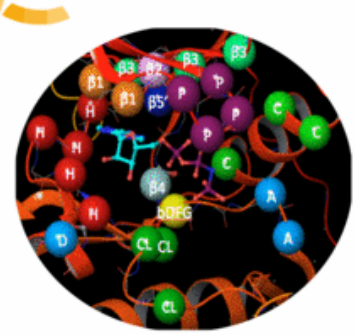
ACLARIS THERAPEUTICS

Confluence Assets

MK-2 Pathway Inhibitor CDD-450 "Oral Anti-TNF"	• Psoriasis / Psoriatic Arthritis, RA, Chronic Inflammation • Highly potent and designed to escape the tachyphylaxis associated with p38 kinase inhibitors
JAK Inhibitors	• Highly selective, covalent and non-covalent • Oral and soft topical
ITK Inhibitors "Oral Anti-IL17"	• Psoriasis, Atopic Dermatitis • Oral and soft topical

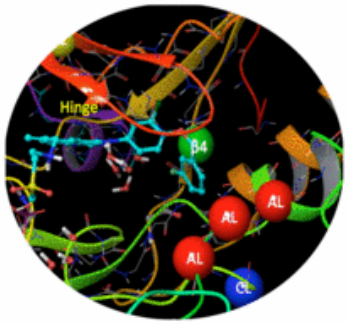
ACLARIS THERAPEUTICS

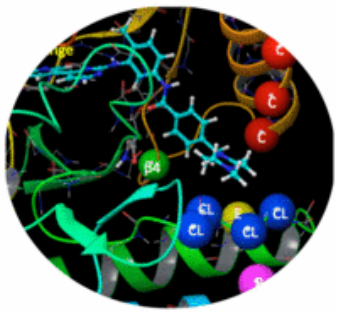
Platform - KINect™ Innovation Engine



Type 1 active conformation
215 cysteine kinases

Type 1.5 C-helix out conformation
68 cysteine kinases





Type 2 DFG out conformation
128 cysteine kinases

- Concentrated effort in immunology: autoimmune disease and chronic inflammation
- Cysteinome targeted chemical library (60% of the kinome)
- Focused on a number of important but hard-to-drug kinases
- Structural analysis, KINect™ chemical library, screening in validated bioassays, SBDD (Schrödinger enabled) and medicinal chemistry
- KINect™ library interrogates both Type 1 and Type 2 kinases vs competitors who focus only on a few subgroups of Type 1 kinases
- KINect™ addresses both reversible and irreversible inhibitors

ACLARIS THERAPEUTICS

Platform - Research and Development Capabilities

BIOCHEMISTRY & ENZYMOLOGY

- Leaders in Mechanistic Enzymology
- Custom Assay Development
- Compound: Target Interaction
- Enzyme Inhibitor Mechanisms
- Direct Binding Kinetics
- High Throughput Screening

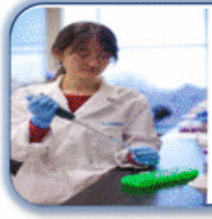
CELL & MOLECULAR BIOLOGY

- Target Clone/Express/Purification
- Translatable Cellular Assays
- Target Modulation/Disease Assays
- Cell Pathway Interrogation
- Custom Assay Development
- Multiple Assay Platforms

TRANSLATIONAL RESEARCH

- Biomarker Assay Development
- Clinical Biomarker Assessment
- *In vivo* Efficacy and PK Studies
- PK/PD Relationship
- Release Assay Validation

IMMUNOLOGY & IMMUNO-ONCOLOGY



- Cytokine Expression
- Th Cell Differentiation/Activation
- CTL Differentiation and Function
- B Cell and NK cell Function
- Ag Specific Cell and *In Vivo* Models
- HWB/PBMC/Monocyte Assays

BIOANALYTICAL CHEMISTRY

- Non-GLP Analytical
- Bioanalytical Method Development
- Bioanalytical Method Validation
- Pharmacokinetic/Toxicokinetic Analysis
- Ab Solubility and Aggregation

COMPUTATIONAL & MEDICINAL CHEMISTRY

- Schrödinger ™ Enabled Structure Based Drug Design
- Computational Chemistry
- Library Design
- Compound Synthesis

ACLARIS THERAPEUTICS

Confluence People - Ex-Pfizer “Kinase and JAK experts”

Walter Smith *CEO*	**Joseph Monahan, PhD** *CSO/Founder*	**Jon Jacobsen, PhD** *Chemistry Director*	**Paul Changelian, PhD** *Biology Director*
Former VP Research & Global Head, Pfizer Inflammation, co-leader of Pfizer Licensing Team Delivered 8 clinical candidates, 6 INDs and 1 NDA in inflammation and cancer	Former Executive Director, Pfizer Inflammation Research and Leader of Global Kinase Technology Team >95 publications and patents (>30 total on kinases)	Former Research Fellow and Director, Pfizer Chemistry >100 publications and patents (15 total on kinases) Project Lead for PFE JAK Program	Immunologist/drug discovery leader at pharma (Pfizer) & biotech (Lycera, Infinity) Validated JAK 1/3 as target for transplant/RA/psoriasis, leading to approval of Xeljanz®

Program Initiation → ***Hit*** → ***Lead*** → ***Candidate*** → ***IND***

BIOLOGY and COMPOUND PROFILING
- Enzyme/Cellular assay development and screening
- Immunology models
- *In vivo* efficacy studies
- *In vitro* ADME
- *In vitro /In vivo* Metabolite profiling
- *In vivo* DMPK
- *In vivo* toxicology

CHEMISTRY
- Structure based drug design
- Medicinal Chemistry
- API synthesis
- Process Development
- Pre-Clinical cGMP API production
- CMC generation
- Patent filing

PRE-CLINICAL IND ENABLING STUDIES (GLP)
- GLP Analytics
- Drug-Drug Interaction
- Genetic toxicology
- Safety pharmacology
- Definitive PK
- General toxicology
- Biomarker development

ACLARIS THERAPEUTICS

The Kinase Opportunity – Rational Targeted Drug Discovery

Creating New Medicines Targeting Previously Inaccessible Parts of the Kinome

KINect™ Technology Platform

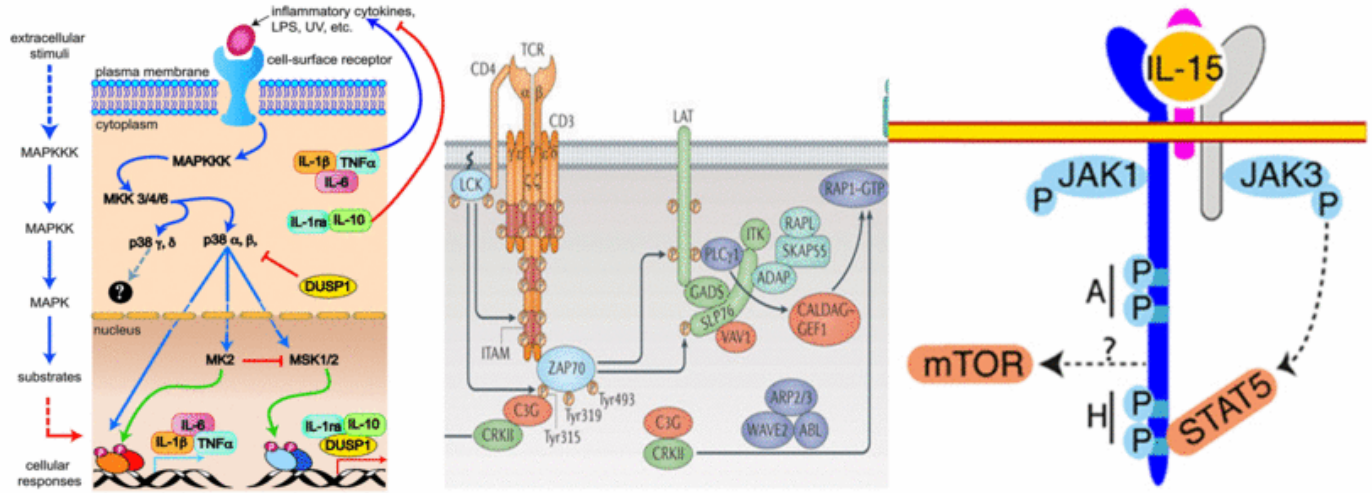
Proprietary chemical library and integrated capabilities for interrogating the Kinome

- Solves challenges encountered in the class
  - Selectivity
  - Biochemical efficiency
- Validity of targeting kinases is commercially established
- Plethora of validated kinase targets are inadequately drugged
- Kinect™ platform allows rational targeting of validated kinase targets

Kinase Drugs Represented $240B in Aggregate Global Sales from 2011-2015

500 member class, representing 2% of the human genome

Confluence Pipeline



MK2: Innate immune response – clinically validated by Humira®, Actemra®, Kineret®

ITK: T-cell receptor dependent autoimmune disease – clinically validated by Neoral®, Prograf®, Orencia®

JAK: Inflammatory cytokine dependent inflammation – clinically validated by Xeljanz®, Jakifi®

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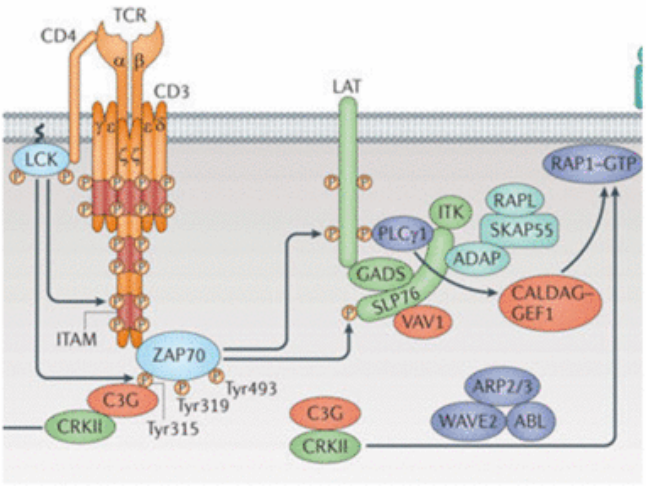
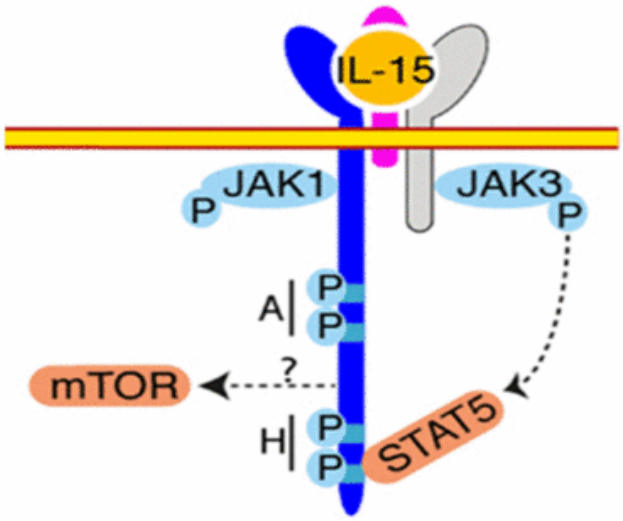
Confluence Pipeline: Antigen and Cytokine Receptor Signaling Inhibitors for Dermatology





- **Alopecia Areata:** IFNγ (JAK1/2) and IL-15 (JAK1/3)
- **Vitiligo:** IFNγ (JAK1/2) and IL-15 (JAK1/3)
- **Psoriasis:** IFNγ (JAK1/2), IL-12/23 (JAK2/Tyk2), IL-22 (JAK1/Tyk2) and IL-21 (JAK1/3)
- **Atopic Dermatitis**: IFNγ (JAK1/2), TSLP (JAK1/2), IL-22 (JAK1/Tyk2) and IL-4/IL-21 (JAK1/3)
- All autoimmune disease driven by antigen recognition/T cell receptor (ITK)

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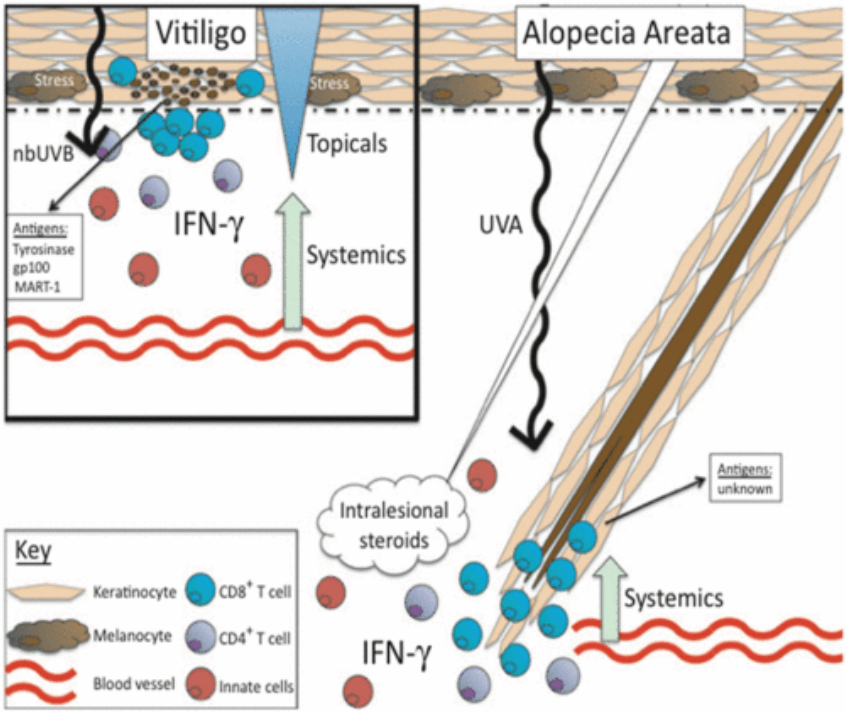
Benefits of Targeted, Topical Soft Drugs

- Improved understanding of cytokine pathways in skin enables targeted pharmacology
- Differential formulations allow skin penetration to depth of disease activity
- Topical soft drugs are designed to be:
  - Active in the skin
  - But, inactivated in the bloodstream



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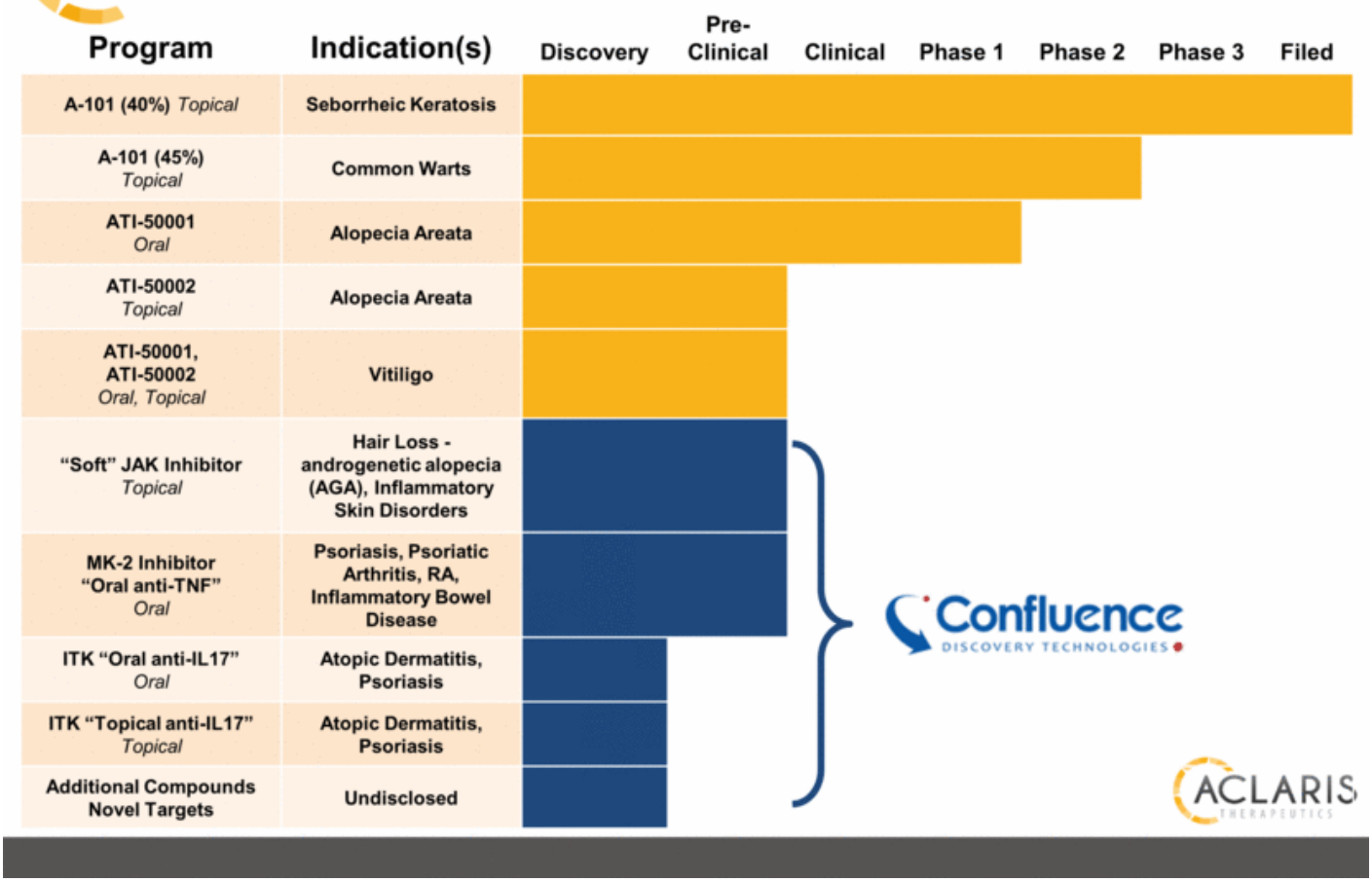
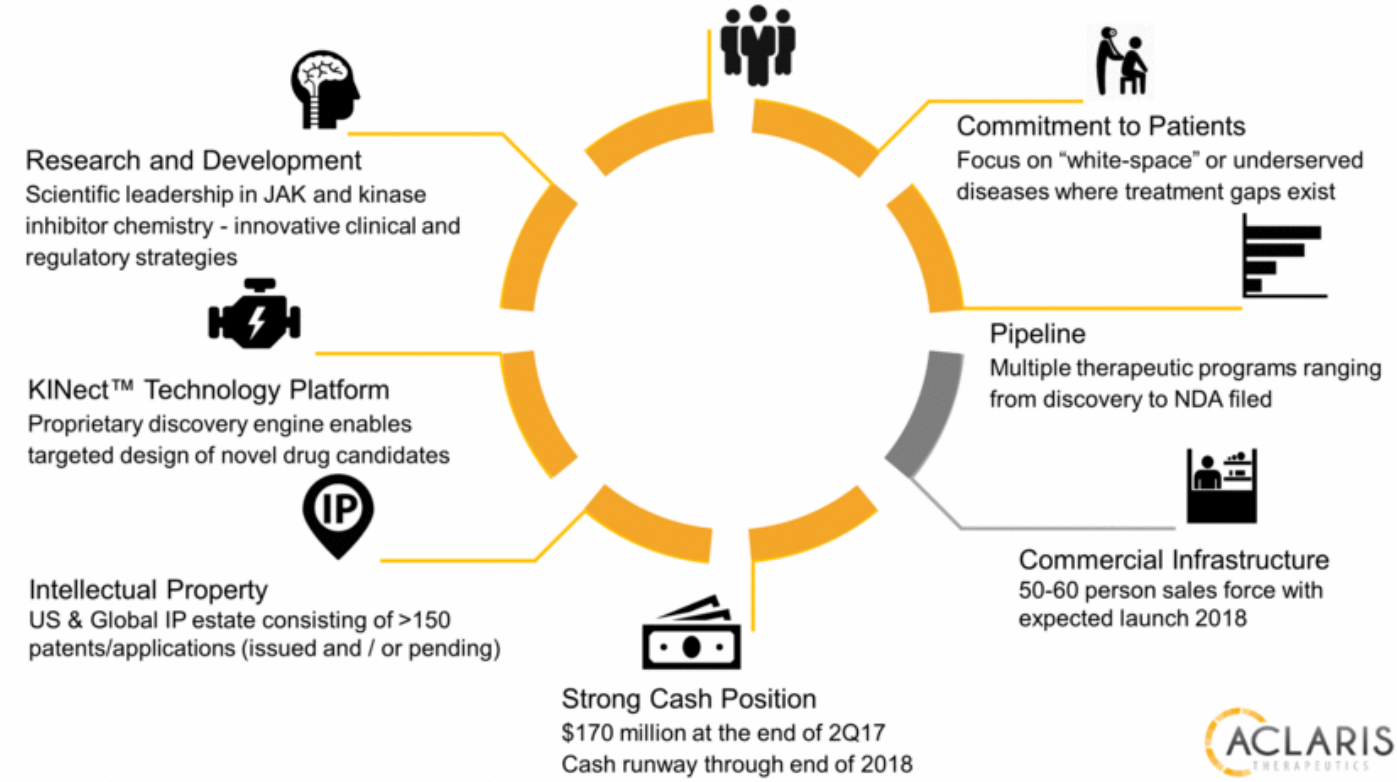
Confluence Adds Complementary Pipeline



Building a Fully Integrated Biopharmaceutical Company



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