

Apr 27, 2016

Dashboard

Deal Builder

Deal Builder Select

Valuation Analyzer

Development Optimizer

Search

Index

Alliance Summary

Acquisition of Quantice for \$100M in upfront and \$385M in research, development, and regulatory milestones

Licensor/Seller: Quantice
Licensee/Buyer: Celgene

Licensor/Seller Parent:
Licensee/Buyer Parent:

Date: 04/2015
Parties: Biotech / Biotech
Type: Acquisition
Stage (at signing): Discovery
Therapeutic Area: Cancer

Press Releases

04/27/2015 Celgene to Acquire Quantice Pharmaceuticals Ce

Indication: Broad Focus Cancer
Technology: Gene Expression, Gene Sequencing, Synthetics

Smart Summary:

SMART SUMMARY

- Quantice and Celgene entered a worldwide exclusive license agreement for QCL47 and QCL70 and a discovery collaboration for phosphonamide-3 kinase (PKA) ligands and RNA inhibitors for cancer.
- All the compounds under the deal are QCL kinase inhibitors.
- QCL47 and QCL70 are currently in phase I and phase II/III studies.
- Quantice will have sole responsibility for all subsequent clinical, regulatory, commercial and manufacturing activities, though Celgene will participate in some clinical and manufacturing activities.
- The parties will jointly establish and conduct preclinical PKC programs.
- Quantice will have sole responsibility for all subsequent clinical, regulatory, commercial and manufacturing activities of any resulting products, though Celgene has retained certain development rights.
- Quantice will pay QCL47 a significant upfront cash payment, QCL70 a guaranteed research funding over a three-year research term, up to \$10M in development, regulatory and sales milestones, and royalties on any product sales.
- On April 22, 2015, the parties terminated the research collaboration for PKC kinase inhibitors, allowing Quantice to refocus on other efforts. Quantice's license to QCL47 (QCL47/404040) and QCL70 (QCL70/404040) continues through December 31, 2015.
- Celgene received a \$15.5M termination payment.
- Any PKC inhibitors developed under the agreement and purchased by one of the parties shall be subject to royalties to the other party, and Quantice will make a one-time milestone payment to Celgene on the first approval for the first PKC kinase inhibitor.
- Separately, Celgene granted Merck exclusive, worldwide rights to its preclinical PKC allosteric programs, including QCL47, on December 12, 2015 (see separate transactions).

FINANCIAL PAYMENTS

| Payment Type | Amount | Notes |
|--------------|--------|-------|
|--------------|--------|-------|

| | | | |
|---------------------------|--|----------|--|
| Deal Size | | \$ 485 M | \$100M in upfront and \$385M in research, development, and regulatory milestones |
| Upfront Cash | | \$ 100 M | \$100M in upfront |
| Upfront Equity | | | |
| R&D Support | | | |
| Contingent Equity | | | |
| Loan | | | |
| Total Milestones | | \$ 385 M | \$385M in research, development, and regulatory milestones |
| Dev/Reg Milestones | | \$ 385 M | |
| Sales Milestones | | | |
| | | | |
| Royalty | | | |
| Profit Split | | | |
| Transfer Price | | | |

| | | | |
|--------------------------------|--|------|------------------------|
| POST-COMMERCIALIZATION | | | |
| Payment Type: | | None | Royalty: |
| Profit Split: | | | Transfer Price: |
| Marketing Fee: | | | |
| Effective Royalty Rates | | | |
| Sales | | Rate | |
| \$ 200 M | | % | |
| \$ 500 M | | % | |
| \$ 1 B | | % | |

| | | | |
|----------------------|--|----------------|----------------------------|
| LICENSE | | | |
| Exclusivity: | | Not Applicable | Licensed Territory: |
| Licensed Use: | | | Licensed Country: |
| Notes: | | | |

| | | | |
|----------------------|--|--|--|
| SMART SUMMARY | | | |
|----------------------|--|--|--|

- On 04/27/2015, Celgene announced that it has exercised an option to acquire Quantice! Pharmaceuticals for \$100M in upfront cash and up to an additional \$385M in research, development, and regulatory milestones.

- Celgene previously acquired an equity stake and retained an exclusive option to acquire Quantice!. (See separate deal of 11/2011)
- Quantice! is a biotechnology company focused on cancer drug discovery.
- Quantice! will produce first-in-class, small-molecule cancer drug candidates by combining experiences in tumor heterogeneity, cancer stem cell biology, and single cell bioengineering.
- Quantice!'s genomics technology and translational research methods enable the elucidation of mechanisms of cancer resistance and the discovery of biomarkers for intelligent clinical development strategies.
- Following the transaction, Celgene will have full access to Quantice!'s single-cell genomic analysis platform of human cancer, as well as Quantice!'s lead programs targeting specific epigenetic modifiers.
- Multiple drug candidates from Quantice! were expected to enter the clinic in early 2016.
- The acquisition is subject to customary closing conditions, including the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976.
- The acquisition is expect to close in the 2H' 2015.
(Source: Celgene, 10-Q, 04/30/2015).
- On 10/19/2015, the acquisition was completed.
(Source: Celgene, 10-Q, 11/05/2015).