

Apr 27, 2016

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## Alliance Summary

*AstraZeneca acquires majority stake in Acerta Pharma, with an option to acquire the company*

**Licensor/Seller:** Acerta Pharma BV  
**Licensee/Buyer:** AstraZeneca

**Licensor/Seller Parent:** AstraZeneca plc  
**Licensee/Buyer Parent:**

**Date:** 12/2015  
**Parties:** Pharma / Biotech  
**Type:** Acquisition, Option

**Stage (at signing):** Phase III

**Therapeutic Area:** Autoimmune/Inflammatory, Cancer

### Press Releases

02/01/2016 AstraZeneca completes transaction for majority equ

12/01/2015 Discussions with Acerta Pharma BV 14 December 2

12/01/2015 AstraZeneca PLC - AZ INVESTS IN ACERTA PHARMA TO E

12/01/2015 Acerta Pharma Announces Strategic Transaction with

### Indication:

Broad Focus Autoimmune/Inflammatory, Broad Focus Cancer

### Technology:

Synthetics

### Smart Summary:

#### SMART SUMMARY

- Sanofi events and Exelixis entered a worldwide exclusive license agreement for KL47 and KL70 and a discovery collaboration for phosphatidylcholine 3 kinase (PCSK) data and data collection for cancer.

- All the compounds under the deal are R1 kinase inhibitors.

- KL47 and KL70 are currently in phase I and phase II studies.

- Sanofi will have sole responsibility for all subsequent clinical, regulatory, commercial and manufacturing activities, though Exelixis will participate in some clinical and manufacturing activities.

- The parties will jointly establish and conduct preclinical PKC programs.

- Sanofi events will have sole responsibility for all subsequent clinical, regulatory, commercial and manufacturing activities of any resulting products, though Exelixis may conduct certain clinical trials.

- Sanofi events will pay to R1 in aggregate upfront cash payments, R1 in guaranteed research funding over a three-year research term, up to \$15 in development, regulatory and sales milestones, and royalties on any product sales.

- (PCSK) (December 2015). The parties terminated the research collaboration for R1 kinase inhibitors, following Exelixis' decision to refocus on other efforts. Sanofi's license to KL47 (SAR424940) and KL70 (SAR424940) continues (Source Exelixis on 4 December 12, 2015).

- Exelixis received a \$12.5M termination payment.

- Any R1C inhibitors developed under the agreement and provided to one of the parties shall be subject to royalties to the other party, and Sanofi will make a one-time milestone payment to Exelixis on the first approval for the first R1C kinase inhibitor.

- Separately, Exelixis granted Merck exclusive, worldwide rights to its preclinical PKC alpha program, including KL47A on December 12, 2015 (see separate transactions).

FINANCIAL PAYMENTS

Payment Type	Amount	Notes
Deal Size	\$ 7000 M	
Upfront Cash	\$ 2500 M	\$2.5 billion upfront
Upfront Equity		
R&D Support		
Contingent Equity		
Loan		
Total Milestones	\$ 1500 M	
Dev/Reg Milestones	\$ 1500 M	\$1.5 billion regulatory milestones
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

- In December 2015, AstraZeneca was in talks to acquire Acerta Pharma for up to \$5 billion.
- Acerta Pharma is a drug discovery and development enterprise that focuses on the development of drugs for oncology and autoimmune diseases.
- Acerta's irreversible oral Bruton's tyrosine kinase (Btk) inhibitor, acalabrutinib (ACP-196) is currently in phase III development for B-cell blood cancers and in phase I/II clinical trials in multiple solid tumors.
- Additional details were undisclosed at that time.
- Later in December 2015, AstraZeneca signed a definitive agreement to acquire 55% stake in Acerta Pharma for \$2.5 billion in cash and \$1.5 billion milestones on receipt of regulatory approval for acalabrutinib or by the end of 2018.
- The agreement would also include an option to buy the remaining 45% of shares in Acerta.
- The options would be exercised on the first approval of acalabrutinib in both the US and Europe and extent of the commercial opportunity at a price of approximately \$3 billion net of certain costs and payments incurred by AstraZeneca.
- The transaction would provide AstraZeneca with Acerta's irreversible oral Bruton's tyrosine kinase (Btk) inhibitor, acalabrutinib (ACP-196).
- The transaction was expected to complete by the end of the first quarter of 2016, subject to regulatory and customary closing conditions.
- On February 2, 2016, AstraZeneca completed the transaction to acquire a majority equity stake in Acerta Pharma .