

Apr 27, 2016

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Alliance Summary

Acquisition of Synageva BioPharma for \$9.4B in cash and stock

Licensor/Seller: Synageva BioPharma
Licensee/Buyer: Alexion Pharmaceuticals

Licensor/Seller Parent:
Licensee/Buyer Parent:

Date: 05/2015
Parties: Biotech / Biotech
Type: Acquisition

Stage (at signing): BLA/NDA filed
Therapeutic Area: Endocrinological & Metabolic

Press Releases

06/23/2015 Alexion Completes Acquisition of Synageva — Str
06/22/2015 Alexion Accepts Shares of Synageva BioPharma Corp.
05/29/2015 Alexion and Synageva Announce Early Termination of
05/06/2015 Alexion to Acquire Synageva to Strengthen Global L

Indication: Lysosomal Storage Disorders
Technology: Peptides, Synthetics

Smart Summary:

SMART SUMMARY

- Synageva and Alexion entered a worldwide exclusive license agreement for KLM47 and KLM50 and a discovery collaboration for phenylalanine-3-kinase (PK3K) and beta inhibitors for cancer.
- All the compounds under the deal are in Phase I/II studies.
- KLM47 and KLM50 are currently in phase I and phase II/III studies.
- Synageva will have sole responsibility for all subsequent clinical, regulatory, commercial and manufacturing activities, through Alexion will participate in some clinical and manufacturing activities.
- The parties will jointly establish and conduct preclinical PKC programs.
- Synageva will have sole responsibility for all subsequent clinical, regulatory, commercial and manufacturing activities of any resulting products, through Alexion may conduct certain clinical trials.
- Synageva will pay to Alexion aggregate upfront cash payments, \$2.5M in guaranteed research funding over a three-year research term, up to \$10.5M in development, regulatory and sales milestones, and royalties on any product sales.
- On 05/29/2015 (December 2015), the parties terminated the research collaboration for PKC kinase inhibitors, following Synageva's decision to refocus on other PKC targets. Synageva is now in KLM47 (SAR429490) and KLM50 (SAR429490) continues (Source: Enbridge 8-4 December 22, 2015).
- Alexion received \$10.5M termination payment.
- Any PKC inhibitors developed under the agreement will be owned by the parties and be subject to royalties to the other party, and Synageva will make a one-time milestone payment to Alexion on the first approval for the first PKC kinase inhibitor.
- Synageva granted Alexion worldwide rights to its preclinical PKC data program, including KLM47 on December 22, 2015 (see Synageva's press release).

Contracts:

Continued Treatment
** Reasonable use of funds*

NON-EXCLUSIVE LICENSE AGREEMENT

This Non-Exclusive License Agreement (the "Agreement"), entered into by and between Synageva BioPharma, Inc. ("Synageva"), a Delaware corporation having its principal office located at 255 East 42nd Street, New York, NY 10017, USA, and Alexion Pharmaceuticals, Inc. ("Alexion"), a Delaware corporation having its principal office located at 255 East 42nd Street, New York, NY 10017, USA.

BACKGROUND

A. Synageva is the owner or exclusive licensee of certain Patent Rights (as defined below), and ALEXION wishes to acquire a non-exclusive license under the Patent Rights, and

B. ALEXION is willing to grant SYNAGEVA such a non-exclusive license, on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter recited, the parties agree as follows:

ARTICLE I — DEFINITIONS

In this Agreement, the following terms shall have the following meanings:

1.1 "Agreement" means the agreement between the parties to this Agreement.

Payment Type	Amount	Notes
Deal Size	\$ 9483 M	Total deal size is \$9,483M, includes \$4,565M in cash and 26,125 shares of common stock/188.24 share, valued at \$4, 917M in stock.
Upfront Cash	\$ 4565 M	\$4,565M in cash
Upfront Equity	\$ 4917 M	26,125 shares of common stock/188.24 share, valued at \$4, 917M in stock
R&D Support		
Contingent Equity		
Loan		
Total Milestones		
Dev/Reg 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

- On 05/05/2015, Alexion Pharmaceuticals announced that it is acquiring Synageva BioPharma for \$115 in cash and 0.6581 Alexion shares, or \$230 per share, valued at approximately \$8.4B.
- Synageva is a biopharmaceutical company discovering, developing and delivering medicines for patients with rare diseases and high unmet medical needs.
- Synageva BioPharma's pipeline consists of protein therapeutic programs, Kanuma for LAL Deficiency, SBC-103 for mucopolysaccharidosis IIIB (MPS IIIB), SBC-105, is an enzyme replacement therapy in preclinical development for disorders of calcification.
- Kanuma (sebelipase alfa) is a recombinant human lysosomal acid lipase (LAL) and granted orphan designation by the U.S. FDA, the European Medicines Agency (EMA), and the Japanese Ministry of Health, Labour and Welfare.
- Sebelipase also received Fast Track designation by the U.S. FDA, and Breakthrough Therapy designation by the U.S. FDA for LAL D presenting in infants and it is currently under BLA/MAA review.
- The transaction is subject to the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and other customary conditions, the tender of a majority of the outstanding shares of Synageva common stock and receipt of required regulatory approval.
- The transaction is expected to close mid-2015.
(Source: Alexion Pharmaceuticals: 8-K: 05/06/2015)
- UPDATE (05/2015): The U.S. Federal Trade Commission (FTC) has granted early termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (HSR Act).
- UPDATE (06/2015): Alexion has accepted for exchange all 21,021,124 shares validly tendered into the previously announced exchange offer to acquire all of the outstanding shares of Synageva.
- The exchange offer expired at midnight 06/19/2015.
- The transaction was expected to complete prior to the opening of trading on NASDAQ on 06/23/2015.
- On 06/22/2015, the transaction was completed.
- The consideration was revised to \$9,483M, includes \$4,565M in cash and 26,125 shares of common stock/188.24 share, valued at \$4, 917M in stock.
(Source: Alexion Pharmaceuticals: 10-K: 02/08/2016)