

Merck Enhances Immuno-Oncology Portfolio with Acquisition of cCAM Biotherapeutics

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KENILWORTH, N.J. & MISGAV, Israel--(BUSINESS WIRE)--Merck (NYSE:MRK), known as MSD outside the United States and Canada, and cCAM Biotherapeutics announced today that the companies have signed a definitive agreement under which Merck will acquire cCAM Biotherapeutics, a privately held biopharmaceutical company focused on the discovery and development of novel cancer immunotherapies.

“The acquisition of cCAM supports our objective to advance the care of patients with cancer by stimulating tumor-directed immune responses.”

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Under terms of the agreement, Merck, through a subsidiary, will acquire all outstanding stock of cCAM in exchange for an upfront payment of \$95 million in cash. In addition, cCAM shareholders of record are eligible to receive a total of up to \$510 million

associated with the attainment of certain clinical development, regulatory and commercial milestones. The transaction is subject to certain closing conditions.

“We continue to strengthen our portfolio of immunotherapeutic candidates through strategic collaborations and acquisitions,” said Dr. Roger M. Perlmutter, president, Merck Research Laboratories. “The acquisition of cCAM supports our objective to advance the care of patients with cancer by stimulating tumor-directed immune responses.”

The acquisition provides Merck with several early immunotherapy candidates including cCAM Biotherapeutics’ lead pipeline candidate, CM-24 – a novel monoclonal antibody (mAb) targeting the immune checkpoint protein CEACAM1 that is currently being evaluated in a Phase 1 study for the treatment of advanced or recurrent malignancies, including melanoma, non-small-cell lung, bladder, gastric, colorectal, and ovarian cancers. Based on the transaction, cCAM Biotherapeutics, domiciled in Israel, will become a wholly owned subsidiary of Merck and continue to advance the development of CM-24 in its ongoing Phase 1 clinical trial. cCam was originally established under the Israeli Office of Chief Scientist’s incubators program.

“Merck’s excellence and leadership in immuno-oncology provides a strong foundation for advancing CM-24, for the treatment of people with cancer,” said Pini Orbach, Ph.D., Chairman of the Board, cCAM Biotherapeutics and Head of Pharma at Arkin Holdings. “This is a significant achievement for cCAM Biotherapeutics, as well as a vote of confidence in the Israeli innovative biotech industry as a whole.”

About CEACAM1 and CM-24

CM-24 is a humanized monoclonal antibody directed against CEACAM1, an immune checkpoint protein belonging to the Human CEA (Carcino-Embryonic Antigen) protein family. Evidence has shown that CEACAM1 is expressed on tumor lymphocytes, and is up-regulated in several cancer types. Preclinical studies have shown evidence that CM-24 enhances the cytotoxic activity of tumor-infiltrating lymphocytes (TILs) against various CEACAM1-positive tumor cell lines. CM-24 is being developed for multiple oncological indications according to the expression pattern of its target protein.

About cCAM Biotherapeutics

Founded in 2010 and led by Tehila Ben-Moshe, Ph.D., cCAM is a biopharmaceutical company focused on the discovery and development of novel immunotherapies to treat cancer. Its lead product, CM-24, is a first-in-class humanized anti-CEACAM1 monoclonal antibody undergoing Phase 1 clinical trials. CM-24 is based on the research of Professor Gal Markel, Head of Research, Ella Institute of Melanoma, at Sheba Academic Medical Center Hospital, Israel. Main and equal Investors in the Company include: Arkin Holdings, OrbiMed and Pontifax. For more information, please visit <http://ccam-bio.com/>.

Merck’s Focus on Cancer

Our goal is to translate breakthrough science into innovative oncology medicines to help people with cancer worldwide. At Merck Oncology, helping people fight cancer is our passion and supporting accessibility to our cancer medicines is our commitment. Our focus is on pursuing research in immuno-oncology and we are accelerating every step in the journey – from lab to clinic – to potentially bring new hope to people with cancer. For more information about our oncology clinical trials, visit www.merck.com/clinicaltrials.

About Merck & Co., Inc., Kenilworth, N.J., USA

Today’s Merck is a global healthcare leader working to help the world be well. Merck is known as MSD outside of the United States and Canada. Through our prescription medicines, vaccines, biologic therapies and animal health products, we work with customers and operate in more than 140 countries to deliver innovative health solutions. We also demonstrate our commitment to increasing access to healthcare through far-reaching policies, programs and partnerships. For more information, visit www.merck.com and connect with us on Twitter, Facebook and YouTube.

Forward-Looking Statement of Merck & Co., Inc., Kenilworth, N.J., USA

This news release of Merck & Co., Inc., Kenilworth, N.J., USA (the “company”) includes “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements are based upon the current beliefs and expectations of the company’s management and are subject to significant risks and uncertainties. There can be no guarantees with respect to pipeline products that the products will receive the necessary regulatory approvals or that they will prove to be commercially successful. If underlying assumptions prove inaccurate or risks or uncertainties materialize, actual results may differ materially from those set forth in the forward-looking statements.

Risks and uncertainties include but are not limited to, general industry conditions and competition; general economic factors, including interest rate and currency exchange rate fluctuations; the impact of pharmaceutical industry regulation and health care legislation in the United States and internationally; global trends toward health care cost containment; technological advances, new products and patents attained by competitors; challenges inherent in new product development, including obtaining regulatory approval; the company’s ability to accurately predict future market conditions; manufacturing difficulties or delays; financial instability of international economies and sovereign risk; dependence on the effectiveness of the company’s patents and other protections for innovative products; and the exposure to litigation, including patent litigation, and/or regulatory actions.

The company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Additional factors that could cause results to differ materially from those described in the forward-looking statements can be found in the company’s 2014 Annual Report on Form 10-K and the company’s other filings with the Securities and Exchange Commission (SEC) available at the SEC’s Internet site (www.sec.gov).

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