

## Merck to acquire Peloton Therapeutics

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### Acquisition Includes novel late-stage Renal Cell Carcinoma Candidate, PT2977



Merck, known as MSD outside the United States and Canada, and Peloton Therapeutics, Inc. announced that the companies have entered into a definitive agreement under which Merck, through a subsidiary, will acquire privately held Peloton, a clinical-stage biopharmaceutical company focused on the development of novel small molecule therapeutic candidates targeting hypoxia-inducible factor-2 $\alpha$  (HIF-2 $\alpha$ ) for the treatment of patients with cancer and other non-oncology diseases. Peloton's lead candidate is PT2977, a novel oral HIF-2 $\alpha$  inhibitor in late-stage development for renal cell carcinoma (RCC).

"This acquisition exemplifies Merck's strategy to pursue novel therapeutic candidates based on exceptionally promising and innovative research," said Dr. Roger M. Perlmutter, president, Merck Research Laboratories. "Peloton scientists have applied their unique expertise in HIF-2 $\alpha$  biology to develop PT2977, which has already shown intriguing activity in the treatment of renal cell carcinoma. We look forward to advancing this late-stage asset as part of our broad oncology R&D program."

Under terms of the agreement, Merck, through a subsidiary, will acquire all outstanding shares of Peloton in exchange for an upfront payment of \$1.05 billion in cash. In addition, Peloton shareholders will be eligible to receive a further \$1.15 billion contingent upon successful achievement of future regulatory and sales milestones for certain candidates.

The closing will be subject to certain conditions, including the expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act and other customary conditions. The companies anticipate the acquisition will close in the third quarter of 2019.

Merck was represented by Covington & Burling LLP as legal advisor and Credit Suisse as financial advisor. Peloton was represented by Wilson Sonsini Goodrich & Rosati as legal advisor and Centerview Partners as financial advisor.