

BMS to acquire Cardioxyl Pharmaceuticals

03 November 2015 | News | By BioSpectrum Bureau

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BMS and Cardioxyl announced that the companies have signed a definitive agreement under which Bristol-Myers Squibb will acquire all of the issued and outstanding capital stock of Cardioxyl, a private biotechnology company focused on the discovery and development of novel therapeutic agents for the treatment of cardiovascular disease.

The acquisition will give Bristol-Myers Squibb full rights to Cardioxyl's lead asset CXL-1427, a novel nitroxyl (HNO) donor (prodrug) in Phase 2 clinical development as an intravenous treatment for acute decompensated heart failure (ADHF).

The transaction includes upfront and near-term milestone payments of up to \$300 million and potential additional consideration of up to \$1.775 billion upon the achievement of certain development, regulatory and sales milestones.

The transaction, which is expected to be dilutive to 2015 GAAP EPS by approximately \$0.12, with minimal dilution to non-GAAP EPS in both 2015 and 2016, has been approved by the boards of directors of both companies.

CXL-1427 releases nitroxyl, a molecule that has demonstrated beneficial effects on heart muscle and vascular function.

Pre-clinical and early clinical data indicate that CXL-1427 improves how the heart muscle contracts and relaxes without increasing heart rate or the demand for oxygen.

Current therapies for ADHF that improve heart muscle function produce an increase in heart rate and/or oxygen consumption, and are associated with an increased risk for ischemia, arrhythmias and increased mortality.

"The acquisition of Cardioxyl strengthens Bristol-Myers Squibb's heart failure pipeline with a Phase 2 asset that has the potential to change the course of the disease rather than simply treating the symptoms," said Dr Francis Cuss, EVP & CSO, Bristol-Myers Squibb. "BMS is uniquely positioned, with our understanding of patient needs in the hospital setting and our heritage in cardiovascular diseases, to continue development of CXL-1427 as a potential new therapy to address the clinical

and economic burden of heart failure."

"We are excited about the breadth of drug development capabilities and cardiovascular expertise that Bristol-Myers Squibb will bring to the nitroxyl donor program," said Dr Christopher A Kroeger, president & CEO, Cardioxyl. "Heart failure is an important and under-served therapeutic area and we believe Bristol-Myers Squibb is the optimal partner to bring new therapeutic options to the patients who need them."

Closing of the transaction is subject to customary closing conditions, including clearance under the Hart-Scott-Rodino Antitrust Improvements Act.