Bristol-Myers Squibb to Acquire Cardioxyl Pharmaceuticals, Inc.

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Partnering News

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- Gains full rights to Cardioxyl’s novel nitroxyll (HNO) donor in Phase 2 development for acute decompensated heart failure
- Strengthens Bristol-Myers Squibb’s pipeline and strategic focus on heart failure

NEW YORK & CHAPEL HILL, N.C.--(BUSINESS WIRE)--Bristol-Myers Squibb Company (NYSE:BMY) and Cardioxyl Pharmaceuticals, Inc. announced today 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 nitroxyll (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 nitroxyll, a molecule that has demonstrated beneficial effects on heart muscle and vascular function. Preclinical 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 Francis Cuss, MB Chir, FRCP, executive vice president and chief scientific officer, Bristol-Myers Squibb. “Bristol-Myers Squibb 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 nitroxyll donor program,” said Christopher A. Kroeger, M.D., President and Chief Executive Officer, 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.”

Bristol-Myers Squibb and Cardioxyl anticipate the transaction will close during the fourth quarter of 2015. Closing of the transaction is subject to customary closing conditions, including clearance under the Hart-Scott-Rodino Antitrust Improvements Act.

About ADHF
Heart failure is the leading diagnosis for patients at the time of discharge from U.S. hospitals and the most common cause of hospitalization for patients over 65 years of age. ADHF is the sudden or gradual onset of symptoms, such as shortness of breath, edema, and fatigue, in patients with heart failure leading to hospitalization. Despite the prevalence and severity of the condition, the treatment options available for patients with ADHF remain limited. In the U.S., the treatment of HF has a direct cost of over $34 billion per year, most of which results from hospitalization.

About Bristol-Myers Squibb
Bristol-Myers Squibb is a global biopharmaceutical company whose mission is to discover, develop and deliver innovative medicines that help patients prevail over serious diseases. For more information, please visit www.bms.com or follow us on Twitter at http://twitter.com/bmsnews.

About Cardioxyl Pharmaceutical, Inc.
Cardioxyl Pharmaceuticals is focused on the discovery and development of new classes of safe and effective therapeutic agents for the treatment of cardiovascular disease. Cardioxyl has developed industry-leading expertise in the chemistry,
biology and clinical applications of nitroxyll (HNO) technology. The company’s core HNO platform has generated several pre-clinical and clinical candidates. Cardioxyl is a privately held company financed by life science venture investors, including New Enterprise Associates, Orbimed, Aurora Funds and Osage University Partners.

**Bristol-Myers Squibb Forward-Looking Statement**

This press release contains “forward-looking statements” as that term is defined in the Private Securities Litigation Reform Act of 1995 regarding the research, development and commercialization of pharmaceutical products. Such forward-looking statements are based on current expectations and involve inherent risks and uncertainties, including factors that could delay, divert or change any of them, and could cause actual outcomes and results to differ materially from current expectations. No forward-looking statement can be guaranteed. Among other risks, there can be no guarantee that the acquisition will be completed, or if it is completed, that it will close within the anticipated time period or that the expected benefits of the acquisition will be realized. In addition, the compounds described in this release are subject to all the risks inherent in the drug development process, and there can be no assurance that the development of these compounds will be successful. Forward-looking statements in the press release should be evaluated together with the many uncertainties that affect Bristol-Myers Squibb's business, particularly those identified in the cautionary factors discussion in Bristol-Myers Squibb's Annual Report on Form 10-K for the year ended December 31, 2014, its Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K. Bristol-Myers Squibb undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise.

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