Bristol-Myers Squibb to Acquire Padlock Therapeutics, Inc.

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- **Gains full-rights to Padlock’s Protein/Pepidyl Arginine Deiminase (PAD) inhibitor discovery program**
- **Expands Bristol-Myers Squibb’s immunoscience pipeline with potentially transformational approach to treating rheumatoid arthritis and other autoimmune diseases**

NEW YORK & CAMBRIDGE, Mass.--(BUSINESS WIRE)--Bristol-Myers Squibb Company (NYSE:BMY) and Padlock Therapeutics, Inc. announced today that the companies have signed a definitive agreement under which Bristol-Myers Squibb will acquire all of the outstanding capital stock of Padlock, a private, Cambridge, Massachusetts-based biotechnology company dedicated to creating new medicines to treat destructive autoimmune diseases. The acquisition will give Bristol-Myers Squibb full rights to Padlock’s Protein/Pepidyl Arginine Deiminase (PAD) inhibitor discovery program focused on the development of potentially transformational treatment approaches for patients with rheumatoid arthritis (RA). Padlock’s PAD discovery program may have additional utility in treating systemic lupus erythematosus (SLE) and other autoimmune diseases.

PADs are a family of enzymes that produce autoantigens which play an active role in the development and progression of RA and other autoimmune diseases. Inhibiting PADs offers the potential to prevent progression of autoimmune diseases early in their evolution. In identifiable high risk patients with pre- and early-RA, PAD inhibition could lead to a paradigm shift in treatment by preventing disease development and resulting joint destruction. PAD4 inhibition in combination with current standard of care therapies may increase and maintain the durable remission rates in RA patients with rapidly progressive disease.

“Targeting PAD enzymes has the potential to be one of the most innovative mechanisms for treating autoimmunity which both strengthens and accelerates our immunoscience pipeline,” said Francis Cuss, MB BChir, FRCP, executive vice president and chief scientific officer, Bristol-Myers Squibb. “By pursuing a treatment approach which may address disease progression earlier, we hope to transform the lives of patients with RA and other autoimmune diseases.”

“By targeting PADs, it may be possible to eliminate the antigens that drive autoimmunity with limited impact on the immune system, thereby creating breakthrough treatments,” said Michael Gilman, PhD, founder and chief executive officer, Padlock Therapeutics. “In Bristol-Myers Squibb, we found an excellent home for our program based on their deep commitment to science and developing transformational therapies. We are confident that Bristol-Myers Squibb can leverage the scientific foundation built by Padlock’s founders, team, and advisors to help patients with serious autoimmune diseases.”

Bristol-Myers Squibb is building on learnings from extensive clinical and patient experience in immunoscience to seek entirely new mechanisms that are both innovative and differentiated not only for RA, but other immune-system disorders where significant unmet medical need remains. The company has a strong early clinical and discovery immunoscience pipeline which includes several novel compounds that offer first-in-class and a best-in-disease opportunities targeting long-term remission.

The transaction includes upfront and near term contingent milestone payments of up to $225 million and additional contingent consideration of up to $375 million upon the achievement by Bristol-Myers Squibb of certain development and regulatory events. The transaction has been approved by the boards of directors of both companies and by the stockholders of Padlock. Bristol-Myers Squibb and Padlock anticipate the transaction will close during the second quarter of 2016.

About Rheumatoid Arthritis

Rheumatoid arthritis (RA) is a systemic, chronic, autoimmune disease characterized by inflammation in the lining of joints (or synovium), causing joint damage with chronic pain, stiffness, and swelling. RA causes limited range of motion and decreased joint function. The condition is more common in women than in men, who account for 75% of patients diagnosed with RA.

About Systemic Lupus Erythematosus

Systemic Lupus Erythematosus (SLE) is a chronic, autoimmune disease characterized by inflammation of the skin and joints and can affect other organs in the body such as the kidneys, and tissue lining the lungs, heart, and brain. The condition
occurs 10 times more often in women and commonly begins developing in people in their 20s and 30s.

**About Bristol-Myers Squibb Immunoscience**

With a robust pipeline of immunomodulatory therapies, Bristol-Myers Squibb is committed to the discovery and development of transformational medicines that may lead to long-term remission in patients suffering from immune-mediated disease. As we learn more about the immune system in diseases with substantial unmet needs, the potential for new therapies that modulate the immune system continues to drive our research efforts.

**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 about Bristol-Myers Squibb, visit us at [BMS.com](http://www.BMS.com) or follow us on [LinkedIn](http://www.linkedin.com), [Twitter](http://www.twitter.com), and [YouTube](http://www.youtube.com).

**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, 2015, 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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