

Novartis AG (ADR)

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Cerulean Pharma shares soar after news of Novartis tie-up

Shares in cancer drug discovery firm Cerulean Pharma Inc (NASDAQ:CERU) soared after it announced that it had teamed up with pharmaceutical giant Novartis (NYSE:NVS) in a discovery and development deal.

Novartis is buying into the promise of Cerulean's nanoparticle drug conjugates (NDCs) and is making an upfront payment of US\$5mln as well as funding the first five candidates.

Long term investor Aspire Capital has also committed to ploughing US\$20mln into the struggling microcap.

Under the terms of the deal, Cerulean's Dynamic Tumour Targeting technology will be combined with Novartis' compounds against up to five targets.

Cerulean is to create the NDCs, with Novartis being responsible for further development and the commercialisation of the products.

"Novartis is widely recognised as one off the world leaders in drug development," said Cerulean President Christophe Guiffre.

"This collaboration is further validation of our powerful technology platform, and we are excited that Novartis is including NDCs in its drug discovery and development efforts."

In addition to the upfront payment, Cerulean is also eligible for cash boosts if, or when, it hits certain preclinical, clinical, regulatory and sales milestones for each target.

Cerulean has endured a difficult time since it listed on NASDAQ back in 2014.

The stock hit a high of US\$10 last year, but fell below a buck this summer after its lead candidate CRLX101 failed in a combination trial to beat treatment of care in the treatment of renal cell carcinoma.

The company then pretty much slashed its workforce in half following the failure.

Shares in Cerulean climbed 53% to US\$1.04, while Novartis dipped slightly to trade at US\$76.

Price: 90.31

Market Cap: \$205.25 billion

1 Year Share Price Graph



Share Information

Code: NVS

Listing: NYSE

52 week	High	Low
	99.82	69.31

Sector: Pharma & Biotech

Website: www.novartis.com

Company Synopsis:

Novartis provides healthcare solutions that address the evolving needs of patients and societies.

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