Shares of Checkmate Pharmaceuticals Inc. traded 330% higher to a new 52-week high after the company reported it agreed to be acquired by Regeneron Pharmaceuticals Inc. for $10.50 per share in cash.

Source: Streetwise Reports

Clinical-stage biotechnology firm Checkmate Pharmaceuticals Inc. (CMPI:NASDAQ), which is engaged in the development and commercialization of technology that is capable of harnessing the power of an individual's immune system to combat cancer, today announced it entered into a definitive agreement to be acquired by Regeneron Pharmaceuticals Inc. (REGN:NASDAQ) in all-cash transaction for $10.50 per share. The company indicated that the $10.50 per share offering price sets the total equity value for Checkmate Pharmaceuticals at about $250 million.

The acquisition will provide Regeneron with ownership of all of Checkmate Pharmaceuticals assets, and in particular, its leading investigational immune activator called vidutolimod for potential use in treatment of multiple tumor types.

The report indicated that vidutolimod, which is "an advanced generation CpG-A oligodeoxynucleotide Toll-like receptor 9 (TLR9) agonist delivered in a virus-like particle," has been shown to demonstrate positive clinical responses as a monotherapy in PD-1 refractory melanoma.

In addition, vidutolimod is presently being evaluated in several clinical trials in combination with other agents for melanoma, non-melanoma skin cancers, and head and neck cancer.

Regeneron Pharmaceuticals' President and CEO Leonard S. Schleifer, M.D., Ph.D. stated, "As we continue to advance and expand our research efforts in immuno-oncology, the acquisition of Checkmate will add a promising new modality to Regeneron's toolkit of potential approaches for difficult-to-treat cancers...The unique combination of a differentiated Toll-like receptor 9 with other antibody-based oncology agents may result in increased clinical benefit and provide new treatment options for patients in need. We look forward to welcoming the Checkmate team and their complementary scientific acumen to the Regeneron family."

Checkmate Pharmaceuticals' President and CEO Alan Bash remarked, "We are thrilled that Checkmate will become part of Regeneron, a biotechnology leader that shares our deep appreciation for science, hunger for ground-breaking discoveries and commitment to helping patients defeat cancer."

Checkmate's Founder and Chief Scientific Officer Art Krieg, M.D. commented, "We believe that the data we have generated with vidutolimod positions Checkmate at the forefront of the innate immune activator field. It is our hope that Regeneron's resources and expertise will help accelerate the development of vidutolimod and realization of the full potential of our virus-like particle (VLP) platform for immunotherapy."

The merger transaction is expected to close in mid-2022, subject to customary and some specific closing conditions, Checkmate common shareholder approval and the expiration of the waiting period stipulated in the Hart-Scott-Rodino Antitrust Improvements Act.

The company explained that "vidutolimod is administered into the tumor and is believed to induce and expand anti-tumor T cells and induce tumor regression as a
monotherapy in patients whose tumors previously progressed on PD-1 checkpoint inhibition."

Regeneron is a leading biotech company with a market capitalization of around $79.6 billion that is headquartered in Tarrytown, N.Y. The company has received approval for nine FDA-approved treatments and has numerous additional product candidates in its development pipeline. The firm's approved medicines and those in development are formulated to help patients with allergic, cardiovascular, eye, infectious, inflammatory, metabolic and rare diseases and to treat cancer, pain and hematologic conditions.

Checkmate Pharmaceuticals is a clinical-stage biotech company based in Cambridge, Mass. that is focused on developing technology that utilizes the power of the immune system to attack cancer. The firm's leading pharmaceutical product candidate called vidutolimod (CMP-001) is an advanced generation TLR9 agonist that is currently being studied in several clinical cancer trials as both a mono- and combination therapy.

Checkmate Pharma started off the day with a market cap of around $54.9 million with approximately 21.63 million shares outstanding. CMPI shares opened 330% higher today at $10.39 (+$7.98, +331.12%) over yesterday's $2.41 closing price and reached a new 52-week high price this morning of $10.45. The stock has traded today between $10.37 and $10.45 per share and is currently trading at $10.41 (+$8.00, +331.95%).

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