

Merck snaps up Australian firm Viralytics for \$394M

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In a bid to further broaden its immune-oncology portfolio, Merck has recently acquired Australian firm Viralytics for \$394 million. The deal gives Merck access to Viralytics's investigational oncolytic immunotherapy Cavatak, which is based on its proprietary formulation of an oncolytic virus that has been shown to preferentially infect and kill cancer cells.

On completion of the transaction, Viralytics will become a wholly-owned subsidiary of MSD. CAVATAK is currently being evaluated in multiple Phase 1 and Phase 2 clinical trials, both as an intratumoural and intravenous agent, including in combination with MSD's KEYTRUDA® (pembrolizumab), an anti-PD-1 therapy.

"Viralytics's approach of engaging the innate immune system to target and kill cancer cells complements our immuno-oncology strategy, which is focused on the rapid advancement of innovative monotherapy approaches and synergistic combinations to help the broadest range of cancer patients," said Dr. Roy Baynes, senior vice president and head of global clinical development, chief medical officer, Merck Research Laboratories.

"We are eager to further build on Viralytics's science as we continue our efforts to harness the immune system to improve long-term disease control and survival outcomes for people with cancer." "This proposed acquisition culminates years of dedicated work by the Viralytics team and represents an opportunity for significant value creation for our shareholders. Viralytics is proud to have progressed its lead investigational candidate CAVATAK to Phase 1 and Phase 2 clinical trials and, we believe that MSD, the leader in immuno-oncology, is best suited to advance CAVATAK for the benefit of patients globally, and to realise its potential," said Dr. Malcolm McColl, managing director and chief executive officer, Viralytics.