

Merck acquires Prometheus Biosciences for \$10.8 B to strengthen immunology pipeline

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Prometheus Biosciences' comprehensive data set enables target discovery and precision medicine approach in inflammation and immunology



American pharmaceutical firm Merck, known as MSD outside the United States and Canada, and US-based startup Prometheus Biosciences, Inc. have entered into a definitive agreement under which Merck, through a subsidiary, has agreed to acquire Prometheus for \$200.00 per share in cash for a total equity value of approximately \$10.8 billion.

Prometheus is a clinical-stage biotechnology company pioneering a precision medicine approach for the discovery, development, and commercialisation of novel therapeutic and companion diagnostic products for the treatment of immune-mediated diseases. The company's lead candidate, PRA023, is a humanised monoclonal antibody (mAb) directed to tumor necrosis factor (TNF)-like ligand 1A (TL1A), a target associated with both intestinal inflammation and fibrosis.

Prometheus is developing PRA023 for the treatment of immune-mediated diseases including ulcerative colitis (UC), Crohn's disease (CD), and other autoimmune conditions. In December 2022, the company announced positive results for PRA023 from ARTEMIS-UC, a Phase 2, placebo controlled, study evaluating safety and efficacy in patients with moderate to severely active UC and APOLLO-CD a Phase 2A, open-label, study evaluating safety and efficacy in patients with moderate to severe CD.

Under the terms of the acquisition agreement, Merck, through a subsidiary, will acquire all of the outstanding shares of Prometheus. The acquisition is subject to Prometheus Biosciences shareholder approval. The closing of the proposed transaction will be subject to certain conditions, including the expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act and other customary conditions. The transaction is expected to close in the third quarter of 2023.