

InvaGen announces acquisition agreement with Avenue Therapeutics

13 November 2018 | News

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InvaGen Pharmaceuticals Inc., a subsidiary of the leading global pharmaceutical company Cipla Limited, has announced that it has entered into definitive agreements with two closing stages for a proposed acquisition of Avenue Therapeutics, Inc., a Fortress Biotech company focused on the development and commercialization of intravenous (IV) Tramadol. The transaction will be subject to Avenue stockholders' and regulatory approvals, and other closing conditions.

At the first stage closing, InvaGen or its affiliates will acquire, through the issuance by Avenue of new shares, shares representing a 33.3% stake in Avenue's capital stock on a fully diluted basis for \$35 million. Based on current assumptions, such stake is expected to consist of 5,833,333 shares of Avenue's common stock issued at \$6.00 per share. Simultaneously with the closing of the stock issuance, InvaGen or its affiliates will appoint three members (including one independent) on Avenue's seven-member Board of Directors.

At the second stage closing, InvaGen or its affiliates will acquire the remaining shares of Avenue's common stock, pursuant to a reverse triangular merger with Avenue remaining as the surviving entity, for up to \$180 million in the aggregate, which is currently expected to represent approximately \$13.92 per share, subject to certain terms to be outlined in the Form 8-K and proxy statement to be filed by Avenue with the SEC in connection with the proposed transactions. The second stage closing is subject to the satisfaction of certain closing conditions, including conditions pertaining to US FDA approval, labeling, scheduling and the absence of any REMS or similar restrictions in effect with respect to IV Tramadol.

Umang Vohra, Managing Director & Global Chief Executive Officer, Cipla, said "Our investment in and proposed acquisition of Avenue establishes our presence in the specialty institutional business in the US. The novel intravenous drug delivery method of Tramadol addresses extremely crucial and hitherto unmet needs in pain management. This investment is in keeping with our stated intention to build a specialty pipeline in the US market, and reinforces Cipla's innovation-led approach and commitment to caring for the life of patients."

Lucy Lu, M.D., President & Chief Executive Officer, Avenue, said “We are very pleased to partner with InvaGen to accelerate the Phase 3 clinical development and potential commercialization of IV Tramadol in the United States. IV Tramadol offers a novel mechanism of action among intravenous analgesics and could be an important new therapy that fills a significant gap in pain management. We believe that this transaction creates significant value for our shareholders and creates a path to maximize their return on investment.”

Torrey Capital LLC is acting as exclusive financial advisor to Avenue. Oppenheimer & Co, Inc. provided a fairness opinion on the transaction to Avenue’s Board of Directors. Alston & Bird LLP and Richards, Layton & Finger, P.A. served as legal counsel to Avenue, and Hughes Hubbard & Reed LLP served as legal counsel to Cipla.