Chimerix Awarded BARDA Contract for TEMBEXA as Medical Countermeasure for Smallpox

August 29, 2022

- Initial Procurement of 319,000 Treatment Courses for $115M with Additional Procurements at BARDA's Discretion Over 10 Years –

- Emergent BioSolutions, Inc. Payment Increases to $238M Upfront and $136.5M in Potential Milestones -

DURHAM, N.C., Aug. 29, 2022 (GLOBE NEWSWIRE) -- Chimerix (NASDAQ:CMRX), a biopharmaceutical company whose mission it is to develop medicines that meaningfully improve and extend the lives of patients facing deadly diseases, today announced that is has signed a multi-year contract with the Biomedical Advanced Research and Development Authority (BARDA) in the U.S. Department of Health and Human Services' Administration for Strategic Preparedness and Response (ASPR), for the delivery of up to 1.7 million treatment courses of tablet and suspension formulations of TEMBEXA® to the U.S. government. The contract 75A50122C00047, includes an initial product procurement of 319,000 treatment courses for approximately $115 million. The 10-year contract, which contains options for future procurements, is valued at approximately $551 million in total if BARDA elects to exercise all options. In addition to product procurement, the contract supports post-marketing activities of approximately $13 million, for a total potential contract value of up to $680 million.

"Our collaboration with BARDA for the development of TEMBEXA has provided the United States government with a second therapeutic option to ensure the federal government's readiness for a potential smallpox emergency. TEMBEXA's simple two dose oral regimen is the first approved smallpox treatment for all ages, including infants," said Mike Sherman, Chief Executive Officer of Chimerix. "TEMBEXA also may provide protection for patients should a strain of variola virus emerge that is resistant to other antivirals."

In May, Chimerix entered into an agreement with Emergent BioSolutions, Inc. (EBS) for the sale of worldwide rights to TEMBEXA for $225 million upfront and potential additional milestones of up to $100 million (the Transaction was subject to adjustment upon finalization of a procurement agreement for TEMBEXA with BARDA). Based on the terms of the final BARDA agreement, EBS is expected to pay Chimerix

- Upfront payment of $238 million upon the signing of the pre-novation agreement;
- Potential milestone payments of up to $124 million (up to $31 million for each of the remaining BARDA procurement options due within 30 days of exercise);
- 15% royalty on gross profit from sales of TEMBEXA outside the U.S.;
- 20% royalty on gross profit from sales of TEMBEXA in the U.S. that are in excess of 1.7 million treatment courses; and
- Up to an additional $12.5 million upon achievement of certain developmental milestones.

Closing of the Transaction remains subject to BARDA's approval of a pre-novation agreement between Chimerix and EBS.

About Chimerix

Chimerix is a biopharmaceutical company with a mission to develop medicines that meaningfully improve and extend the lives of patients facing deadly diseases. The Company's most advanced clinical-stage development program, ONC201, is in development for H3 K27M-mutant glioma.

About TEMBEXA

In June 2021, the U.S. Food and Drug Administration granted approval of TEMBEXA for the treatment of smallpox as a medical countermeasure. TEMBEXA is an oral antiviral formulated as 100 mg tablets and 10 mg/mL oral suspension dosed once weekly for two weeks. TEMBEXA is indicated for the treatment of human smallpox disease caused by variola virus in adult and pediatric patients, including neonates. TEMBEXA is not indicated for the treatment of diseases other than human smallpox disease. The effectiveness of TEMBEXA for the treatment of smallpox disease has not been determined in humans because adequate and well-controlled field trials have not been feasible and inducing smallpox disease in humans to study the drug's efficacy is not ethical. TEMBEXA efficacy may be reduced in immunocompromised patients based on studies in immune deficient animals.

TEMBEXA (brincidofovir) is a nucleotide analog lipid-conjugate designed to mimic a natural monoacyl phospholipid to achieve effective intracellular concentrations of the active antiviral metabolite, cidofovir diphosphate. Cidofovir diphosphate exerts its orthopoxvirus antiviral effects by acting as an alternate substrate inhibitor for viral DNA synthesis mediated by viral DNA polymerase.

Forward-Looking Statements
This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks and uncertainties that could cause actual results to differ materially from those projected. Forward-looking statements include those relating to, among other things, procurements under the BARDA contract, the consummation of the Transaction, and potential future payments under the Transaction. Among the factors and risks that could cause actual results to differ materially from those indicated in the forward-looking statements are risks that the Transaction will not be completed as planned, including as a result of failing to satisfy the closing conditions to the Transaction; risks that the initial delivery or any subsequent deliveries of TEMBEXA will not occur as planned, or at all; risks that future payments under the Transaction will not be made; and additional risks set forth in the Company's filings with the Securities and Exchange Commission. These forward-looking statements represent the Company's judgment as of the date of this release. The Company disclaims, however, any intent or obligation to update these forward-looking statements.

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