

## MEDIA UPDATE

# Novartis builds on commitment to addressing need in neuropsychiatric disorders with Cadent Therapeutics acquisition

- *The agreement includes two clinical stage molecules for schizophrenia and movement disorders and MIJ821, a clinical stage molecule previously licensed exclusively by Novartis for addressing treatment-resistant depression.*
- *The deal builds on Novartis expertise in neuroscience and advances the company's development of potential neuropsychiatric medicines.*
- *The planned acquisition reflects the Novartis commitment to reimagining neuroscience by bringing potentially transformative therapies to patients who suffer from severe, chronic neuropsychiatric illnesses.*

**Basel, December 17, 2020** — Novartis has entered an agreement to acquire Cadent Therapeutics, a Cambridge, Massachusetts based neuroscience company. The acquisition adds two new clinical stage programs to the Novartis neuroscience portfolio, one for schizophrenia and the other for movement disorders. The agreement also includes a buyout of milestones and royalties for MIJ821, a clinical stage molecule that Novartis licensed exclusively from Cadent in 2015. Novartis is actively developing MIJ821 for treatment resistant depression.

"We are committed to changing the lives of patients suffering from serious neuropsychiatric disorders for which there are limited treatment options," said Jay Bradner, President of the Novartis Institutes for BioMedical Research (NIBR). "The Cadent acquisition follows a longstanding collaboration and shared ambition to bring forward novel neuropsychiatric medicines targeted at the root cause of disease."

Schizophrenia affects millions of people globally. The symptoms are commonly described as "positive" or "negative," as defined by whether they introduce exaggerations or distortions of reality, such as hallucinations ("positive") or because they represent a reduction in social and emotional response, such as the inability to engage or feel pleasure ("negative"). Cognitive deficits such as impaired attention and executive function are also commonly experienced. New therapies are needed to address the negative and cognitive symptoms of schizophrenia, which significantly impact a patient's ability to maintain relationships and fully function in society. The Phase I schizophrenia program included in the acquisition, CAD-9303, could potentially help fill this critical need.

“There is good evidence, both from human genetics as well as clinical studies, that NMDA receptors, which regulate learning, memory and plasticity in the brain function sub-optimally in schizophrenia,” says Gopi Shanker, the Interim Co-Head of Neuroscience at NIBR. “By modulating the activity of these receptors, we think CAD-9303 could potentially treat negative and cognitive symptoms and help address one of the key gaps in schizophrenia care.”

The experimental therapy for depression, MIJ821, is currently being tested in a Phase II trial overseen by Novartis. The compound selectively modulates a subset of NMDA receptors that have been linked to depression biology. It is being developed as a potential therapy for treatment-resistant depression to help the significant number of patients who do not respond to existing depression therapies.

The third program, CAD-1883, is a Phase II asset and is being explored for movement disorders.

Under the terms of the agreement, Novartis will acquire all of the outstanding capital stock of Cadent, in exchange for an upfront payment and milestone payments. Cadent and Novartis anticipate the transaction will close during the first quarter of 2021. Closing of the transaction is subject to customary closing conditions, including clearance under the Hart-Scott-Rodino Antitrust Improvements Act.

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