Merrimack Receives $5 Million Milestone Payment from Shire

September 20, 2018

CAMBRIDGE, Mass., Sept. 20, 2018 /PRNewswire/ -- Merrimack Pharmaceuticals, Inc. (Nasdaq: MACK), a clinical-stage oncology company focused on biomarker-defined cancers, today announced that it has received a $5 million milestone payment from Shire, triggered by the sale of ONIVYDE in the first major non-European, non-Asian country, pursuant to the terms of Merrimack's asset sale to Ipsen in 2017.

"Since the start of the third quarter, Merrimack has received $38 million in non-dilutive capital, including two milestone payments from Shire totaling $23 million," said Richard Peters, M.D., Ph.D., President and Chief Executive Officer of Merrimack. "We are pleased to further strengthen the Company's cash position as we continue advancing our wholly-owned clinical and preclinical pipeline."

The terms of the Company's asset sale to Ipsen in 2017 entitled Merrimack to receive up to an aggregate of $33.0 million in net milestone payments from Shire, of which Merrimack has now received $23.0 million, including this milestone and the $18.0 million payment in August 2018 resulting from the sale of ONIVYDE in two additional major European countries. Merrimack remains eligible to receive up to an additional $10.0 million in milestone payments for the first patient dosed in a pivotal clinical trial of ONIVYDE in an indication other than pancreatic cancer.

Furthermore, Merrimack is entitled to receive up to an aggregate of $450 million in regulatory-based milestones from Ipsen. Merrimack has stated it expects to pass these proceeds through to stockholders, net of any taxes owed and subject to there being a sufficient surplus at that time, consisting of:

- $225.0 million upon approval by the FDA of ONIVYDE for the first-line treatment of metastatic adenocarcinoma of the pancreas, subject to certain conditions;
- $150.0 million upon approval by the FDA of ONIVYDE for the treatment of small cell lung cancer after failure of first-line chemotherapy; and
- $75.0 million upon approval by the FDA of ONIVYDE for an additional indication unrelated to those described above.

About Merrimack

Merrimack is a biopharmaceutical company based in Cambridge, Massachusetts that is outthinking cancer to ensure that patients and their families live fulfilling lives. Its mission is to transform cancer care through the smart design and development of targeted solutions based on a deep understanding of cancer pathways and biological markers. All of Merrimack's development programs, including three clinical studies and six candidates in preclinical development, fit into its strategy of 1) understanding the biological problems it is trying to solve, 2) designing specific solutions and 3) developing those solutions for biomarker-selected patients. This three-pronged strategy seeks to ensure optimal patient outcomes. For more information, please visit Merrimack's website at www.merrimack.com.

Forward Looking Statements

To the extent that statements contained in this press release are not descriptions of historical facts, they are forward-looking statements reflecting the current beliefs and expectations of management made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements include any statements about Merrimack's strategy, future operations, future financial position, future revenues and future expectations and plans and prospects for Merrimack, and any other statements containing the words "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "predict," "project," "target," "potential," "will," "would," "could," "should," "continue" and similar expressions. In this press release, Merrimack's forward-looking statements include, among others, statements about the anticipated achievement and receipt of milestones and the availability of funding sufficient to fund Merrimack's operations. Such forward-looking statements involve substantial risks and uncertainties that could cause Merrimack's clinical development programs, future results, performance or achievements to differ significantly from those expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the uncertainties inherent in the availability of data from ongoing clinical trials, expectations for regulatory approvals, development progress of Merrimack's companion diagnostics, availability of funding sufficient for Merrimack's foreseeable and unforeseeable operating expenses and capital expenditure requirements, and other matters that could affect the availability or commercial potential of Merrimack's product candidates or companion diagnostics. Merrimack undertakes no obligation to update or revise any forward-looking statements. Forward-looking statements should not be relied upon as representing Merrimack's views as of any date subsequent to the date hereof. For a further description of the risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to Merrimack's business in general, see the "Risk Factors" section of Merrimack's Quarterly Report on Form 10-Q filed with the SEC on August 7, 2018 and the other reports Merrimack files with the SEC.

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