



Merrimack Divests Early Stage Asset for \$2.25 Million; Provides Strategy Update

April 2, 2020

CAMBRIDGE, Mass.--(BUSINESS WIRE)--Apr. 2, 2020-- Merrimack Pharmaceuticals, Inc. (Nasdaq: MACK) [{"Merrimack" or the "Company"}] today announced receipt of \$2.25 million in connection with the closing of a transaction in which the Company sold certain assets related to its preclinical nanoliposome programs to Celator Pharmaceuticals, Inc. Merrimack will not receive any further contingent consideration or royalties as a result of this transaction.

Under the terms of the agreement for the transaction, Celator, in addition to paying the base purchase price of \$2.25 million, reimbursed the Merrimack for certain specified expenses and assumed certain liabilities with respect to the acquired assets. Further, under the agreement, the Company assigned to Celator the previously disclosed intellectual property license agreement among the Company and Ipsen S.A pursuant to which Ipsen granted the Company licenses to certain patents, and Celator also granted the Company an exclusive license to certain specified know-how and patents related to specific nano-liposome projects which remain in the Merrimack portfolio.

Completion of this transaction is a continuation of Merrimack's strategy of extending its cash runway into 2027 and preserving its ability to capture the potential \$450 million of remaining ONIVYDE-related contingent milestone payments resulting from its 2017 asset sale to Ipsen as well as the potential \$54.5 million of remaining contingent milestone payments resulting from its 2019 sale of certain programs to Elevation Oncology, Inc. (formerly known as 14ner Oncology, Inc.).

"This asset sale transaction reflects our ongoing strategic focus on both the monetization of our remaining preclinical assets and the further reduction of our operating expenses," said Gary Crocker, Chairman of Merrimack's Board of Directors. "Ipsen recently publicly announced that ONIVYDE is in Phase 3 clinical trials in two additional indications which we believe could, if successful, support the attainment of certain milestones. The proceeds from the Celator transaction provide an additional operational buffer in the event of any potential unanticipated contingencies, and enhance our ability to focus on our top priority, which is to preserve our ability to collect milestones and to maximize returns to shareholders. As opportunities arise we will continue to look to distribute excess cash not essential to our minimal operations."

About Merrimack

Merrimack Pharmaceuticals, Inc. is a biopharmaceutical company based in Cambridge, Massachusetts that is entitled to receive up to \$450.0 million in contingent milestone payments related to its sale of ONIVYDE[®] to Ipsen S.A. in April 2017 and up to \$54.5 million in contingent milestone payments related to its sale of anti-HER3 programs to Elevation Oncology (formerly 14ner Oncology, Inc.) in July 2019. The Company is seeking potential acquirers for its remaining preclinical and clinical assets.

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 Merrimack's plans to seek to divest its preclinical and clinical assets, Merrimack's rights to receive payments related to certain milestone events or whether such milestones will be achieved, if at all, the sufficiency of Merrimack's cash resources and Merrimack's strategic plan, including any potential distribution of additional cash. Such forward-looking statements involve substantial risks and uncertainties that could cause Merrimack's 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, expectations for achievement of contractual milestones and the availability of funding sufficient for Merrimack's foreseeable and unforeseeable operating expenses and capital expenditure requirements. 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-K filed with the SEC on March 12, 2020 and the other reports Merrimack files with the Securities and Exchange Commission.

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