

Novartis to buy US pharma group Chinook Therapeutics

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Swiss pharmaceutical giant Novartis said Monday that it had reached a deal to buy US kidney treatment developer Chinook Therapeutics for up to \$3.5 billion.

Chinook Therapeutics, which is based in the northwestern city of Seattle, is developing two medicines to treat a rare and progressive kidney disease that mostly affects [young adults](#), Novartis said in a statement.

As many as three in 10 patients progress to [kidney failure](#) and dialysis within 10 years, the statement said.

Under the agreement, Chinook shareholders will receive \$3.2 billion in cash, or \$40 per share, which is 67 percent above Friday's closing price.

They would receive an additional \$300 million, or \$4 per share, "upon the achievement of certain regulatory milestones".

Novartis said it expects the transaction to close in the second half of the year, pending the approval of Chinook shareholders and regulators.

"IgA Nephropathy is a devastating disease mostly affecting young adults and potentially leading to dialysis or [kidney transplantation](#)," said Novartis chief executive Vas Narasimhan.

IgAN, which lacks targeted [treatment options](#), affects up to 21 people per million in the United States every year, according to Novartis.

"We are excited by this unique opportunity to address one of society's most challenging healthcare issues, with the potential to bring additional much-needed treatment options to patients," Narasimhan said.

The company statement said the deal "is fully in line with Novartis strategy to focus on innovative medicines and will significantly expand its renal portfolio, complementing the existing pipeline".

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