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Merck, known as MSD outside the United States and Canada, and Afferent Pharmaceuticals announced that the two companies have signed a definitive agreement under which Merck will acquire this privately held pharmaceutical company.

Afferent Pharmaceuticals is a leader in the development of therapeutic candidates targeting the P2X3 receptor for the treatment of common, poorly-managed, neurogenic conditions. Afferent's lead investigational candidate, AF-219, is a selective, non-narcotic, orally-administered P2X3 antagonist currently being evaluated in a Phase 2b clinical trial for the treatment of refractory, chronic cough as well as in a Phase 2 clinical trial in idiopathic pulmonary fibrosis (IPF) with cough.

"Afferent has pioneered the clinical development of novel investigational candidates selectively targeting the P2X3 receptor, an exciting area of research," said Dr Roger M Perlmutter, president, Merck Research Laboratories. "We look forward to advancing these innovative molecules for patients with conditions like chronic cough, an area of significant unmet medical need."

Under terms of the agreement, Merck, through a subsidiary, will acquire all outstanding stock of Afferent in exchange for an upfront payment of $500 million in cash. Also, Afferent shareholders will be eligible to receive a total of up to an additional $750 million associated with the attainment of certain clinical development and commercial milestones for multiple indications and candidates, including AF-219.

"This achievement is a reflection of the talent and hard work of the experienced Afferent team in advancing the science of P2X3 receptors and the clinical development of our novel therapeutic candidates," said Ms Kathleen Sereda Glaub, chief executive officer, Afferent Pharmaceuticals. "We are very pleased to enter into this agreement given Merck's reputation for maximizing opportunities around novel mechanisms. This agreement with Merck creates significant value for Afferent shareholders while enhancing the potential of our portfolio to provide meaningful benefits to patients globally."

Data on cough frequency from the first cohort of a Phase 2b dose-escalation clinical trial of AF-219 in patients with chronic cough were presented at the 2016 American Thoracic Society (ATS) International Conference. The results of the second cohort, which is examining lower doses, are expected to be presented at a future scientific congress.

The closing of the transaction will be subject to certain conditions, including the expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act and other customary conditions. The companies anticipate the transaction will close in the third quarter of 2016.