Website address:
https://www.gesundheitsindustrie-bw.de/en/article/press-release/curevac-initiates-strategic-restructuring-align-resources-focus-high-value-mrna-pipeline-opportunities

CureVac Initiates Strategic Restructuring to Align Resources with Focus on High-Value mRNA Pipeline Opportunities

CureVac N.V. (Nasdaq: CVAC) ("CureVac"), a global biopharmaceutical company developing a new class of transformative medicines based on messenger ribonucleic acid ("mRNA"), today announced a significant strategic restructuring to focus its resources on high-value mRNA projects in oncology and other select areas of substantial unmet medical need.

The restructuring includes a workforce reduction of approximately 30% to create a leaner, more agile organization re-focused on technology innovation, research and development.

The restructuring initiative follows the recent new licensing agreement with GSK, valued at up to €1.45 billion plus royalties. Under the new agreement, GSK assumes control of the development, manufacturing and global commercialization of COVID-19 and influenza programs, including combinations, enabling CureVac to concentrate on its core strengths.

"We have achieved remarkable progress in advancing our mRNA platform, evidenced by promising Phase 2 data for influenza and COVID-19 and the recent licensing agreement with GSK," said Dr. Alexander Zehnder, Chief Executive Officer of CureVac. "Now, we can embark on a new chapter for CureVac. The new GSK agreement not only provides substantial financing but also allows us to streamline our operations and focus on technology innovation, research, and development. It enables us to prioritize our oncology programs and further leverage our technology in other areas where mRNA is uniquely suited to develop novel treatment approaches. While the approximately 30% workforce reduction is a difficult decision on a personal level, I am convinced that this is a necessary step to ensure the long-term success of CureVac. As we implement this change, we are grateful to all our employees for their dedication, passion and commitment in advancing mRNA-based therapies to patients."

The company expects to report data from the Phase 1 study of its cancer vaccine candidate CVGBM in glioblastoma in the second half of 2024. By the end of 2025, CureVac expects to have two clinical candidates for shared-antigen cancer vaccines in solid tumor and hematological cancers, including one in collaboration with researchers at M.D. Anderson, with the plan to initiate two additional Phase 1 studies by the end of 2026.

As a result of the restructuring, CureVac expects operational expenses to decrease by more than 30% from 2025 onward, including a decrease of personnel costs of approximately €25 million. The company estimates that it will incur one-time restructuring charges of approximately €15 million, including employee severance, benefits, and related costs, which it expects to incur in the fourth quarter of 2024. The charges that CureVac expects to incur are subject to a number of assumptions, including local law requirements, and actual expenses may differ materially from the estimates.

The cost savings, combined with an upfront payment of €400 million and up to €1.05 billion in milestones plus tiered royalties from the GSK agreement, will extend CureVac's cash runway into 2028. Additional financial and strategic updates will be provided during the Q3 earnings call in November 2024.

About CureVac

CureVac (Nasdaq: CVAC) is a pioneering multinational biotech company founded in 2000 to advance the field of messenger RNA (mRNA) technology for application in human medicine. In more than two decades of developing, optimizing, and manufacturing this versatile biological molecule for medical purposes, CureVac has introduced and refined key underlying technologies that were essential to the production of mRNA vaccines against COVID-19, and is currently laying the groundwork for application of mRNA in new therapeutic areas of major unmet need. CureVac is leveraging mRNA technology, combined with advanced omics and computational tools, to design and develop off-the-shelf and personalized cancer vaccine product candidates. It also develops programs in prophylactic vaccines and in treatments that enable the human body to produce its own therapeutic proteins. Headquartered in Tübingen, Germany, CureVac also operates sites in the Netherlands, Belgium, Switzerland, and the U.S. Further information can be found at www.curevac.com.

Press release

03-Jul-2024
Source: CureVac SE

Further information

- CureVac SE