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Merck assigns CAR-T rights to Intrexon

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Merck, a leading science and technology company has announced that it has evolved its agreement with Intrexon Corporation for the development of Chimeric Antigen Receptor T-cell (CAR-T) therapies, genetically engineered T-cells with synthetic receptors that recognize a specific antigen expressed on tumor cells. The agreement with Intrexon and its wholly-owned subsidiary, Precigen, Inc., enables Merck to continue to implement its focused R&D strategy, while maintaining an investment in the future potential of next-generation CAR-T development.

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"Merck is excited to maintain its interest in the potential of CAR-T technology, which may offer significant future benefits to patients fighting cancer," said Belen Garijo, Member of the Executive Board and CEO Healthcare, Merck. "The agreement is also illustrative of our efforts to enhance our focus on accelerating the delivery of our innovative clinical pipeline to patients."

Merck first entered into a collaboration and license agreement with Intrexon in 2015 to develop and commercialize CAR-T cancer therapies utilizing Intrexon's proprietary RheoSwitch Therapeutic System and the Sleeping Beauty non-viral gene integration technology. The combination of these platforms enables regulation of gene expression and delivery with a non-viral approach and preclinical data indicate the potential to improve therapeutic safety and facilitate shortened manufacturing to improve time-to-treatment. As of December 31, 2017, these rights were considered intangible assets not yet available for use with a carrying amount of € 104 million.

"Merck's leading immuno-oncology research and commitment to developing innovative medicines made them an ideal partner for us in advancing targeted and controllable CAR-T therapies," said Helen Sabzevari, PhD, President of Precigen. "We look forward to continued development of these promising treatments with the goal of delivering more cost-effective, powerful and precise therapies to patients in need."

In addition to receiving $150 million of Intrexon common stock, this agreement also includes a further $25 million investment in Intrexon. In return, Merck will receive a $25 million convertible note, providing the option to receive either Precigen or Intrexon stock. The closing of the transactions contemplated by the agreement is subject to customary closing conditions, including the expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act.