

MaxCyte

Commercial licence agreement with KSQ

4 December 2019

- MaxCyte has signed a development and commercialisation agreement for multiple therapies with KSQ Therapeutics (KSQ), the seventh such deal to be signed over the last 15 months, and the eighth since its IPO in March 2016.
- KSQ is a preclinical stage biotechnology company, developing a range of novel oncology therapies (cell therapies, monoclonal antibodies and small molecules) against targets identified using its [CRISPRomics](#) platform.
- MaxCyte's ExPERT electroporation instruments will be used to produce KSQ's engineered tumour-infiltrating lymphocytes (eTILs), including its lead product [KSQ-003](#), which is about to start IND-enabling studies. KSQ-003 has shown efficacy in multiple animal models with PD-1 resistant tumours.
- KSQ is based in Cambridge, Massachusetts and is a well-financed private company, having raised \$156m in Series B and C rounds (October 2017 and September 2018 respectively) from several blue-chip investors. Its founding investors in 2015 were Flagship Pioneering and Polaris Partners; other investors include ARCH Venture Partners, Cowen Healthcare Investments, and Lilly Asia Ventures.

Trinity Delta view: MaxCyte's purple patch of signing non-exclusive clinical and commercialisation agreements continues, and with this latest deal it gets exposure to another novel cellular modality for treating oncology. There is increasing interest in the use of [TILs](#) to treat solid tumours, because of their ability to penetrate tumours and target novel neoantigens.

As with other similar deals, there is significant financial upside for MaxCyte linked to KSQ advancing its products through the clinic. It should also be noted that MaxCyte only committed to securing one commercial deal at the time of its IPO in March 2016. The company has now assembled a diversified portfolio of commercial deal partners, engineering various cell types in different ways to treat a variety of indications, highlighting the versatility of its enabling technology.

We value MaxCyte at £195m or 341p per share.

Price	113p
Market Cap	£64.8m
Primary exchange	AIM London
Sector	Healthcare
Company Code	MXCT MXCS
Corporate client	Yes

Company description:

MaxCyte uses its patented flow electroporation platform to transfect a wide array of cells. Revenues arise from sale and lease of equipment, disposables and licence fees; with an impressive client list. Additionally, a novel mRNA mediated CAR technology, known as CARMA, is being explored in various cancers, including solid tumours.

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