

## MaxCyte

### Top cancer Advanced Therapy Company partnership

24 March 2020

- MaxCyte has announced a clinical and commercial licence agreement with Allogene Therapeutics Inc. This enables Allogene to use MaxCyte's proprietary flow electroporation technology and ExPERT platform in the development and commercialisation of its pioneering allogeneic CAR T (AlloCAR T) therapies for a variety of cancers. Allogene has three CAR T therapies in the clinic that address the well-validated CD19 and BCMA targets, with a further seven in preclinical development.
- The financial terms of the deal are not disclosed. However, MaxCyte will receive development, approval, and commercial milestone payments as well as other fees from the lease of instruments, sales of single use disposables, and sales-based payments on commercialisation. We assume that, in common with other similar deals struck by MaxCyte, this deal is a multi-target, multi-product agreement.
- Allogene is a clinical stage biotechnology company developing a pipeline of "off-the-shelf" CAR T cell therapy programmes that are available more reliably, at greater scale, and "on demand". The application of MaxCyte's technology will enable Allogene to increase efficiency and improve yields during the critical gene-editing part of the manufacturing process for its AlloCAR T therapies.
- Allogene was founded in 2018 by the former Kite Pharma founder-CEO, Arie Belldegrun, and Head of R&D, David Chang, following the sale of Kite Pharma to Gilead for \$11.9bn in 2017. Allogene raised c \$800m, including \$372m in its 2018 IPO, to fund development of its allogeneic CAR T therapies created using [TALEN](#) technology (in-licensed from Pfizer, a 18.7% shareholder) to modify T-cells from healthy donors.
- MaxCyte has now formed several large partnership agreements with many of the leading cell therapy companies (including Kite Pharma, CRISPR Therapeutics, and Editas) covering clinical and commercial use of its ExPERT flow electroporation platform. Prior to the Allogene deal, MaxCyte disclosed that it could earn >\$650m in pre-commercial milestones from eight existing partnerships.

**Trinity Delta view:** MaxCyte's electroporation expertise continues to be in high demand. The range of deals highlights the versatility of its enabling technology and suggests that it is increasingly recognised as the industry standard for non-viral cell therapy modifications. In common with prior deals, there is significant financial upside for MaxCyte linked to Allogene's clinical progress. MaxCyte has assembled a diversified portfolio of commercial partners, which are engineering various cell types in different ways to treat a wide variety of indications. Clearly the risks of failure with such cutting-edge programmes is relatively high, but, even conservatively assuming a high clinical attrition rate, a few successes would be transformative for MaxCyte. We value MaxCyte at £195m or 341p/share but this should rise as visibility increases.

Price	122.5p
Market Cap	£70.3m
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.

#### Analysts

##### Lala Gregorek

lgregorek@trinitydelta.org  
+44 (0) 20 3637 5043

##### Mick Cooper

mcooper@trinitydelta.org  
+44 (0) 20 3637 5042

<b>Mick Cooper</b>	<a href="mailto:mcooper@trinitydelta.org">mcooper@trinitydelta.org</a> +44 (0) 20 3637 5042
<b>Lala Gregorek</b>	<a href="mailto:lgregorek@trinitydelta.org">lgregorek@trinitydelta.org</a> +44 (0) 20 3637 5043
<b>Franc Gregori</b>	<a href="mailto:fgregori@trinitydelta.org">fgregori@trinitydelta.org</a> +44 (0) 20 3637 5041

### Disclaimer

Trinity Delta Research Limited ("TDRL"; firm reference number: 725161), which trades as Trinity Delta, is an appointed representative of Equity Development Limited ("ED"). The contents of this report, which has been prepared by and is the sole responsibility of TDRL, have been reviewed, but not independently verified, by ED which is authorised and regulated by the FCA, and whose reference number is 185325.

ED is acting for TDRL and not for any other person and will not be responsible for providing the protections provided to clients of TDRL nor for advising any other person in connection with the contents of this report and, except to the extent required by applicable law, including the rules of the FCA, owes no duty of care to any other such person. No reliance may be placed on ED for advice or recommendations with respect to the contents of this report and, to the extent it may do so under applicable law, ED makes no representation or warranty to the persons reading this report with regards to the information contained in it.

In the preparation of this report TDRL has used publicly available sources and taken reasonable efforts to ensure that the facts stated herein are clear, fair and not misleading, but make no guarantee or warranty as to the accuracy or completeness of the information or opinions contained herein, nor to provide updates should fresh information become available or opinions change.

Any person who is not a relevant person under section of Section 21(2) of the Financial Services & Markets Act 2000 of the United Kingdom should not act or rely on this document or any of its contents. Research on its client companies produced by TDRL is normally commissioned and paid for by those companies themselves ('issuer financed research') and as such is not deemed to be independent, as defined by the FCA, but is 'objective' in that the authors are stating their own opinions. The report should be considered a marketing communication for purposes of the FCA rules. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and it is not subject to any prohibition on dealing ahead of the dissemination of investment research. TDRL does not hold any positions in any of the companies mentioned in the report, although directors, employees or consultants of TDRL may hold positions in the companies mentioned. TDRL does impose restrictions on personal dealings. TDRL might also provide services to companies mentioned or solicit business from them.

This report is being provided to relevant persons to provide background information about the subject matter of the note. This document does not constitute, nor form part of, and should not be construed as, any offer for sale or purchase of (or solicitation of, or invitation to make any offer to buy or sell) any Securities (which may rise and fall in value). Nor shall it, or any part of it, form the basis of, or be relied on in connection with, any contract or commitment whatsoever. The information that we provide is not intended to be, and should not in any manner whatsoever be, construed as personalised advice. Self-certification by investors can be completed free of charge at [www.fisma.org](http://www.fisma.org). TDRL, its affiliates, officers, directors and employees, and ED will not be liable for any loss or damage arising from any use of this document, to the maximum extent that the law permits.

Copyright 2020 Trinity Delta Research Limited. All rights reserved.

More information is available on our website: [www.trinitydelta.org](http://www.trinitydelta.org)