

MaxCyte

Vertex Pharmaceuticals secures exa-cel SPL

29 September 2022

- MaxCyte's latest non-exclusive Strategic Platform Licence (SPL) provides Vertex Pharmaceuticals with the clinical and commercial rights to enable continued use of its proprietary flow electroporation technology and ExPERT platform in development of exa-cel (formerly CTX001). Under the terms of the SPL, MaxCyte is entitled to receive platform licencing fees and programme related revenue. CRISPR Therapeutics initially developed exa-cel using MaxCyte's technology under an SPL signed in March 2017.
- Exa-cel (exagamglogene autotemcel), an *ex vivo* CRISPR gene-edited cell therapy for haemoglobinopathies, is the most advanced asset under an SPL. Execution of this SPL with Vertex comes on the heels of confirmation that regulatory pre-submission meetings in sickle cell disease (SCD) and transfusion dependent β -thalassemia (TDT) have concluded.
- Exa-cel will be submitted to the FDA for rolling review, with the start of the BLA submission in November and completion by end-Q123. EMA and MHRA submissions are on track for Q422. These timelines imply a potential approval decision in late-2023 and, if successful, launch(es) in 2024.
- MaxCyte plans to sign further SPL partnerships in 2022, adding to the 17 current SPLs. As of January 2022, MaxCyte disclosed that its then 16 SPLs represented >\$1.25bn in potential pre-commercialisation milestones. There is also the prospect of meaningful downstream economics that could include sales royalties, disposables use, and/or other sales-based payments.
- SPLs provide a risk/reward asymmetry, in our view, as downside exposure to a single SPL asset or partner is limited by the growing size and diversity of MaxCyte's SPL portfolio, whereas the success of a single programme could transform its revenue profile. Exa-cel is on track to become the first approved SPL programme and should make a meaningful contribution to MaxCyte's top line. Our [September 2022 Update](#) provides an overview of SPL partners and underlying assets, as well as more detail on exa-cel.

Price	560p \$6.25
Market Cap	£569.7m \$635.8m
Primary exchange	AIM London
Sector	Healthcare
Company Code	MXCT.L MXCT
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 from an impressive client list. Key programmes with several clients are gaining greater visibility and approaching material value-inflection points. These will trigger a stream of milestone fees.

Trinity Delta view: MaxCyte is approaching a landmark with the first regulatory filings for a programme under an SPL. We anticipate a first regulatory decision by year-end 2023 at the earliest. If approved, and pending payor/reimbursement discussions, the first launch of an SPL asset could occur in 2024. Exa-cel approval would have a major impact on MaxCyte's FY24 revenues given that milestones for BLA/MAA approval are understood to typically be mid-seven figures (potentially per major region), with future revenues also benefiting from post-commercial income. Investment in in-house manufacturing scale up for near-to-mid-term commercialisation of partner products is supported by MaxCyte's end-June 2022 cash balance of \$240.9m. With a robust core cell therapy business and an advancing and growing SPL pipeline, we continue to view MaxCyte as a unique and diversified play on the whole cell engineering field, providing broad exposure across cell types, technologies, indications, and approaches. Our valuation is £980m (\$1.27bn) or 964p/\$12.53 per share.

Analysts

Lala Gregorek

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

Franco Gregori

fgregori@trinitydelta.org
+44 (0) 20 3637 5041

Philippa Gardner

pgardner@trinitydelta.org

+44 (0) 20 3637 5042

Lala Gregorek

lgregorek@trinitydelta.org

+44 (0) 20 3637 5043

Franc Gregori

fgregori@trinitydelta.org

+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. 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 2022 Trinity Delta Research Limited. All rights reserved.

More information is available on our website: www.trinitydelta.org