

China's Kelun-Biotech inks oncology pact worth \$936 M with Merck

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To develop an investigational antibody drug conjugate for the treatment of solid tumours



China's Kelun-Biotech, a clinical-stage biotech company focused on biologic and small molecule discovery and development, has entered into a collaboration and exclusive license agreement with MSD (the tradename of Merck & Co., Inc Rahway NJ USA), to develop an investigational antibody drug conjugate (ADC) for the treatment of solid tumours.

Under the terms of the agreement, Kelun-Biotech has granted MSD global, exclusive rights to develop, manufacture and commercialize an investigational ADC. Kelun-Biotech and MSD will also collaborate on the early clinical development of the investigational ADC. In return, Kelun-Biotech will receive an upfront payment of \$35 million and is eligible to receive future development, approval and commercial milestone payments totaling up to \$901 million, plus tiered royalties on net sales.

This latest transaction follows MSD's decision earlier this year to exercise an option for worldwide rights, except for the Greater China region (including Mainland China, Hong Kong, Macau, and Taiwan), to SKB-264, an investigational TROP2 targeting ADC. SKB-264 is currently being evaluated in a Phase 3 clinical trial for the treatment of metastatic triple-negative breast cancer and in Phase 2 trials for non-small cell lung cancer and advanced solid tumours. Kelun-Biotech and MSD will collaborate on certain early clinical development plans, including evaluating the potential of SKB-264 as a monotherapy and in combination with KEYTRUDA (pembrolizumab) for advanced solid tumours.