

Merck strikes partnership worth \$1.9 B with Chinese biotech Hansoh for treatment of cardiometabolic diseases

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Merck enters into exclusive global license agreement with Hansoh Pharma for investigational oral GLP-1 receptor agonist



Merck, known as MSD outside of the United States and Canada, and Hansoh Pharma, a Chinese biopharmaceutical company, have entered into an exclusive global license agreement for HS-10535, an investigational preclinical oral small molecule GLP-1 receptor agonist.

“We continue to leverage science-driven business development to augment and complement our robust pipeline,” said Dr Dean Y. Li, president, Merck Research Laboratories. “Through this agreement, we aim to build on our experience targeting incretin biology to evaluate HS-10535 and its potential to provide additional cardiometabolic benefits beyond weight reduction.”

Under the agreement, Hansoh Pharma has granted Merck an exclusive global license to develop, manufacture and commercialise HS-10535. Hansoh Pharma will receive an upfront payment of \$112 million and is eligible to receive up to \$1.9 billion in milestone payments associated with the development, regulatory approval and commercialization of the candidate, as well as royalties on sales.

Hansoh Pharma may co-promote or solely commercialise HS-10535 in China subject to certain conditions. Merck will record a pre-tax charge of \$112 million, or \$0.04 per share, to be included in GAAP and non-GAAP results in the fourth quarter of 2024.

“We are pleased to announce the in-license of our oral GLP-1 by Merck, a company with established leadership in cardiometabolic diseases,” said Eliza Sun, Executive Director of the Board, Hansoh Pharma. “Hansoh Pharma is becoming an emerging leader in metabolic diseases, and we see Merck’s expertise and capabilities as key to accelerating the development of this promising asset for patients worldwide.”