

Galapagos starts spending Gilead's cash



[Amy Brown](#)



A surprise move into the Car-T space suggests the beleaguered Belgian biotech still has an eye on its rich benefactor.

The first strategic move from Galapagos's new chief executive was a long way from what investors wanted to see from the troubled biotech: to bring in a project with good hopes of near term revenues. Instead they have been delivered a move into the Car-T space.

This technology might be a scientific triumph, but the products that have made it to market have been a commercial disaster in terms of both sales and profits. The move just about makes sense considering that Gilead has opt in rights and is one of the big Car-T players. But this is a crowded field and delivering on what is being claimed for the two deals unveiled today will be tough.

Yesterday Galapagos bought Cellpoint for €125m (\$132m) cash up front, and Aboundbio for \$14m. Galapagos is on the hook for an additional €100m in milestone payments, but these are small enough sums for a group with a cash balance of €4.6bn.

Cellpoint's technology ought to speed up the manufacturing time for Car-T cells, Galapagos says, with cells ready in around a week.

While Car-T has delivered some remarkable remissions, the time the whole process takes remains a big problem. Screening patients can take months, but these patients have very advanced cancers and many die before infusions can start. And this is before the manufacturing stage that Galapagos is aiming at here.

The first two programmes using Cellpoint's production platform with CD19 Car-Ts are in phase 1/2a in relapsed-refractory non-Hodgkin and chronic lymphocytic leukaemia; data are due in a year or so. Galapagos will oversee early development. Should Gilead opt in, the two groups would co-develop the therapies, and Gilead would have rights outside Europe.

Faster still

In future, the vein-to-vein time could be cut further, to four or five days, management said on a call today. But it will wait until phase 1 data come out before deciding whether to pursue this. Novartis claims to be even faster, having told *Evaluate Vantage* last year that its T-Charge technology can get vein-to-vein time [down to two days](#).

For comparison, vein-to-vein times for approved Car-Ts are around two to six weeks. Perhaps today's deals are Gilead's way of chasing Novartis to faster manufacturing. None of this fixes another huge issue, however: the

time it can take from screening to infusion, an underappreciated issue with this technology. With reports of this taking up to six months in some cases, it means advanced cancer patients are having to be bridged with chemo, and some die while waiting.

Another less-than-thrilling aspect of the deal is the choice of CD19, a well served space, as the first project's target. Beyond that, the plan is to use Aboundbio's fully human antibody-based library along with Cellpoint's platform to bring three more Car-T candidates to the clinic over the next three years.

Underwhelming

Galapagos's relationship with Gilead began in 2019 [as the result of a substantial deal](#) that effectively gave the US developer rights over the Belgian firm's pipeline, in return for a huge \$5bn cash injection. But [a series of calamities](#) has left that pipeline threadbare, and Gilead's business development [with another black mark](#).

Since early 2020, Galapagos's stock has seen 80% of its value erased. A 4% drop in its shares today suggests investors are underwhelmed by this new direction.

The new strategy is being overseen by Johnson & Johnson's former chief scientific officer Paul Stoffels, who was brought in earlier this year to right the ship. He has made no secret of his desire to strike deals, and has previously said that Galapagos's healthy cash balance was prompting numerous small developers to knock on the door, offering their wares.

Galapagos has been trading at or below cash for months and this deal is unlikely to change that. The hope has to be that further transactions are in the works, more in line with what shareholders are waiting for.

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