

Medigene's long hunting trip pulls down an immunotherapy company



[Lisa Urquhart](#)

Medigene had long promised an acquisition to broaden its portfolio and today it delivered a private immunotherapy company to its investors.

Trianta Immunotherapies, a spin-out of the Helmholtz Zentrum Munich, the German Centre for Environmental Health, occupies one of the industry's white-hot investment spots – and, while the platform remains largely unproven, if it is successful the move could be transformational for Medigene for relatively little risk.

Paper for paper

Medigene will acquire all of the Munich-based company's shares, and in return Trianta shareholders will receive just under 1.02 million new Medigene shares, currently worth about €4m (\$5.46m). The acquisition also allows for payments of up to €5.88m if milestones are met.

Speaking to *EP Vantage* Frank Mathias, chief executive of Medigene, said: "For a long time we have been looking for something innovative enabling us to gain strong products for the future... now we are adding three complimentary immunotherapy platforms" ([EP Vantage interview - MediGene sets out to roll up German biotech, June 14, 2013](#)).

The deal, which was made possible by last year's 4:1 share consolidation, was welcomed by both investors and industry commentators. In afternoon trade Medigene shares were up 5% to €3.79. Christian Glennie, an analyst at Edison Investment Research, described the deal as "in the transformational category", adding: "€4m for an immunotherapy portfolio is not bad and in the long run it could prove to be a very lucrative investment."

Must have assets

The fact that Trianta only spun itself out of Helmholtz Zentrum Munich late last year is also a measure of how immunotherapy has become one of the hottest areas for the industry, as companies rush to find products to harness the body's own ability to recognise and kill cancer cells.

Speaking of the decision to cut Trianta's independent future short Professor Dolores Schendel, Trianta's managing director and Medigene's new chief scientific officer, said: "We could have taken the long way including VCs and funding rounds, or try immediately to have complimentary development expertise."

Even without the addition of Trianta, Medigene has already seen some of the benefits of industry interest in immunotherapy thanks to its 17% stake in Immunocore, which has over the past year signed deals with Roche, GlaxoSmithKline and AstraZeneca.

What Medigene gets for its paper is technology in dendritic cell vaccines, T-cell receptor (TCR) modified T-cells and an anti TCR monoclonal antibodies. As yet no decisions have been made as to what clinical programmes the newly enlarged Medigene will be pursuing, but there are two ongoing academic trials using the company's third-generation dendritic cell vaccine technology, which include a phase I/II study in acute myeloid leukaemia and a phase II study in prostate cancer.

Provenge might not have been the best advert for dendritic cell vaccines, but Trianta's newer technology could avoid some of the issues of questionable benefit and manufacturing that dogged the Dendreon drug.

Sweet spot

Perhaps the most attractive part of the portfolio is the adaptive TCR technology.

Novartis' CTL019, a CART therapy for leukaemia, was the hit of the last year's ASH conference ([ASH - Novartis pulls the CART in autologous T-cell therapy, December 9, 2013](#)), while Juno Therapeutics managed to complete the second-biggest series A funding to date thanks to its focus on immunotherapy ([Juno exploits immuno-oncology frenzy to raise huge series A, December 4, 2013](#)).

If Medigene's newly acquired assets can emulate the success of these projects then the modest-looking €4m

will be a bargain.

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