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Daiichi Sankyo and Merck announce global deal worth billion dollars to develop antibody drug conjugates

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Merck to pay Daiichi Sankyo a $4 billion upfront payment in addition to $1.5 billion in continuation payments over the next 24 months



Japanese pharmaceutical firm Daiichi Sankyo and US-based life sciences company Merck (known as MSD outside of the United States and Canada) have entered into a global development and commercialisation agreement for three of Daiichi Sankyo's DXd antibody drug conjugate (ADC) candidates: patritumab deruxtecan (HER3-DXd), ifinatamab deruxtecan (I-DXd) and raludotatug deruxtecan (R-DXd).

The companies will jointly develop and potentially commercialise these ADC candidates worldwide, except in Japan where Daiichi Sankyo will maintain exclusive rights. Daiichi Sankyo will be solely responsible for manufacturing and supply.

All three potentially first-in-class DXd ADCs are in various stages of clinical development for the treatment of multiple solid tumours both as monotherapy and/or in combination with other treatments.

Designed using Daiichi Sankyo's proprietary DXd ADC technology to target and deliver a cytotoxic payload inside cancer cells that express a specific cell surface antigen, each ADC consists of a monoclonal antibody attached to a number of topoisomerase I inhibitor payloads (an exatecan derivative, DXd) via tetrapeptide-based cleavable linkers.

Merck will pay Daiichi Sankyo a $4 billion upfront payment in addition to $1.5 billion in continuation payments over the next 24 months, and may make additional payments of up to $16.5 billion contingent upon the achievement of future sales milestones, for a total potential consideration of up to $22 billion.