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# Hughes Hubbard & Reed

## Hughes Hubbard Assists in Sale of T-Cell Factory to Kite Pharma

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Hughes Hubbard & Reed advised privately held Dutch company T-Cell Factory B.V. (TCF) in its sale to biotech firm Kite Pharma Inc.

The deal, announced on March 17, was designed to establish a European presence for the Santa Monica, Calif.-based Kite Pharma and strengthen its T Cell Receptor (TCR) therapy product platform for the treatment of cancer. Kite Pharma is listed on NASDAQ.

TCF focuses on discovery and development of tumor-specific TCRs for broad use in cancer treatment based on its TCR-GENERator platform. TCRs allow targeting of tumor antigens found inside cancer cells, as well as surface antigens. Kite's TCR therapy is based on chimeric antigen receptors (CARs), proteins that allow the T cells to recognize a specific protein (antigen) on tumor cells.

Under the terms of the deal, T-Cell Factory has been renamed Kite Pharma EU. Kite will make an upfront payment of up to 20 million euros (approximately \$21 million) to T-Cell Factory shareholders, licensors and employees, of which 3.8 million euros (approximately \$4 million) will be paid in Kite stock. Kite must also pay up to 243 million euros (approximately \$255 million) upon the achievement of certain clinical, regulatory and sales milestones. At Kite's option, a portion of the clinical and regulatory milestones may be paid in shares of Kite's common stock.

"We believe the combination of TCF's leading technology platform, the translation and development capabilities at the Netherlands Cancer Institute and Kite's expertise in advancing immune-oncology products, will rapidly bring important TCR-based gene therapies to patients," said Professor Ton Schumacher, co-founder of TCF who will serve as chief scientific officer of Kite Pharma EU.

The deal made headlines in Reuters, LA Business Journal, Fierce Biotech, Het Financieele Dagblad and other news outlets.

The Hughes Hubbard team included Matt Syrkin and Emily Nordin.

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