



Innovative Targeting Solutions Announces Research Collaboration with Merck

British Columbia-based Innovative Targeting Solutions to identify candidate biologic therapies in collaboration with Merck.

San Francisco, CA and Vancouver, BC – June 7, 2016 – Innovative Targeting Solutions Inc. (ITS) today announced a research collaboration with Merck, known as MSD outside the United States and Canada. The collaboration will utilize Innovative Targeting Solutions' proprietary HuTARG™ research platform to help identify and develop biologic therapeutic candidates directed towards targets that have historically been a challenge for biologic therapies.

"We are delighted to establish a strategic collaboration with the biologics team at Merck to advance our innovative protein engineering platform," said Michael Gallo, Ph.D., President of Innovative Targeting Solutions Inc. "With Merck we will be able to fully leverage the HuTARG platform to discover novel antibodies with the potential to impact human health."

The HuTARG™ platform allows researchers to generate and engineer fully human antibodies. The technology underlying the platform is based upon the natural process of V(D)J recombination, employed by the human immune system to produce a diverse repertoire of antibodies.

"The incorporation of new technologies into our biologics discovery function is a key element of our biologics strategy to advance candidates with the potential to provide meaningful benefit to patients," said Yuan Xu, senior vice president Biologics and Vaccines, Merck Research Laboratories. "We look forward to working with ITS in this collaboration."

Under the terms of the agreement, ITS will be eligible for payments associated with the achievement of specified milestones as well as tiered royalty payments on sales of any products. The total potential value of this agreement is approximately US\$150M. Further details of the agreement were not disclosed.

"Collaborations like this demonstrate that British Columbia's vibrant and growing life sciences industry is leading the way in drug development and clinical research," said Amrik Virk, British Columbia's Minister of Technology, Innovation and Citizens' Services. "Through strategic investments such as this, Merck and other companies will help us continue to empower the life sciences sector to lead with innovative technologies that are changing lives and affirming our international reputation."

About Innovative Targeting Solutions Inc.

Founded in 2008, Innovative Targeting Solutions Inc. is a privately-held company that has developed a next generation protein engineering platform for the generation of fully human antibody and T cell receptor based therapeutics using its proprietary HuTARG™ technology. The HuTARG™ technology is a fully mammalian technology that generates antibody diversity in vitro via RAG1/RAG2 mediated V(D)J recombination. For more information, visit www.innovativetargeting.com

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