UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **December 22, 2022**

MERSANA THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**001-38129**	**04-3562403**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

840 Memorial Drive Cambridge, Massachusetts	**02139**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant's telephone number, including area code: **(617) 498-0020**

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, $0.0001 par value	MRSN	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01 Entry Into a Material Definitive Agreement.

On December 22, 2022, Mersana Therapeutics, Inc. ("Mersana" or the "Company") and Ares Trading S.A. ("MRKDG"), a wholly-owned subsidiary of Merck KGaA, Darmstadt, Germany, entered into a Collaboration and Commercial License Agreement (the "Agreement"). Pursuant to the Agreement, Mersana will grant MRKDG an exclusive license to use Mersana's proprietary technology to develop, manufacture and commercialize Immunosynthen antibody-drug conjugates ("ADCs") directed to up to two specific target antigens selected by MRKDG within a certain period following the effective date of the Agreement (the "Designated Targets"). Immunosynthen is Mersana's proprietary stimulator of interferon gene ("STING") agonist ADC platform designed to generate systemically administered ADCs that locally activate STING signaling in both tumor-resident immune cells and in antigen-expressing tumor cells. MRKDG has already selected the first Designated Target under the Agreement.

Under the terms of the Agreement, the parties will conduct up to two research programs. Each research program will involve activities related to Immunosynthen ADCs for a selected Target (each such ADC developed under the Agreement, a "Licensed ADC") until the submission of an Investigational New Drug Application (or foreign equivalents) for a Licensed ADC directed at such Designated Target (each, a "Licensed Product") or until the earlier expiration of the defined research period. Each research program will follow a research plan agreed between the parties. For each Designated Target, MRKDG is responsible for providing up to a specified number of antibodies against such Designated Target, and Mersana is responsible for conjugating such antibodies using its Immunosynthen platform to create Licensed ADCs. Each party will be responsible for their own costs under the research programs. In addition, Mersana will be responsible for certain chemistry, manufacturing and controls development and certain manufacturing activities for the Licensed ADCs, up to and including manufacturing of drug substance for Licensed ADCs to be used in certain preclinical studies and clinical trials, in each case at MRKDG's expense, some of which will be prepaid by MRKDG. Except as provided above, MRKDG is solely responsible for *in vitro* and *in vivo* characterization of any Licensed ADCs, other preclinical work, and all clinical development and potential commercialization activities relating to any resulting Licensed Products.

Under the terms of the Agreement, Mersana will receive an upfront payment of $30.0 million within forty-five days of December 22, 2022. Certain development and regulatory milestones will be payable by MRKDG to Mersana for the research programs, including upon certain discovery milestones, initiation of certain clinical trials, and regulatory approval of Licensed Products in certain geographies, with an aggregate total of up to $200 million in the event MRKDG advances Licensed Products directed to both Designated Targets to regulatory approval.

In the event the commercialization of the Licensed Product results in commercial sales, commercial milestones will be payable by MRKDG to Mersana for each program upon the achievement of specified aggregate sales thresholds for a Licensed Product for the applicable Designated Target, with an aggregate total of up to $600 million in the event Licensed Products directed to both Designated Targets are commercialized by MRKDG. In addition, the Company is eligible to receive tiered royalties at percentages ranging from the single digits to the low double digits on future net sales of Licensed Products.

MRKDG's royalty obligations continue with respect to each country and each Licensed Product until the latest of (i) the date on which such Licensed Product is no longer covered by certain intellectual property rights in such country, (ii) the 10th anniversary of the first commercial sale of such Licensed Product in such country and (iii) the expiration of marketing or data exclusivity for such Licensed Product in such country.

Under the terms of the Agreement, subject to certain exceptions and for an agreed period of time, the Company will not, itself or through third parties, research, develop, manufacture or commercialize other ADCs utilizing its Immunosynthen platform that are directed to the Designated Targets. The Company and MRKDG will form a joint research committee, joint manufacturing committee, and joint intellectual property committee responsible for coordinating activities under the Agreement.

Each party has the right to sublicense its rights under the Agreement subject to certain conditions, and the Agreement contains various representations, warranties, covenants, dispute resolution mechanisms, indemnities and other provisions customary for transactions of this nature.

The Agreement will remain in effect, unless earlier terminated, until the expiration of the last-to-expire royalty term for the last Licensed Product or, if MRKDG does not advance any Licensed Products, upon the expiration of the last-to-expire research program. MRKDG may, at its convenience, terminate the Agreement in its entirety or on a Designated Target-by-Designated Target basis upon certain notice to the Company. Either the Company or MRKDG may terminate the Agreement for the other party's insolvency or certain uncured breaches. In lieu of terminating the Agreement, in the event MRKDG is entitled to terminate the Agreement due to an uncured material breach by the Company, MRKDG may make an election, as its sole and exclusive remedy with respect to the applicable material breach of the Agreement by the Company, to invoke a specified financial penalty impacting one or more future payments that may become payable to the Company following such uncured material breach. The Company may terminate the Agreement with respect to a Designated Target in the event of certain failures by MRKDG to progress the corresponding research program. Additionally, the Company may terminate the Agreement if MRKDG or any of its sublicensees or affiliates challenge, subject to certain exceptions, the validity, enforceability, of patentability of certain of the Company's patents.

The foregoing is only a summary description of the terms of the Agreement, does not purpose to be complete and is qualified in its entirety by reference to the Agreement, which will be filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ending December 31, 2022.

Item 7.01 Regulation FD Disclosure.

On December 22, 2022, the Company issued a press release announcing the Agreement. A copy of the press release is filed as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated into this Item 7.01 by reference.

The information furnished under this Item 7.01, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing by the Company with the Securities and Exchange Commission under the Securities Act of 1933 or the Exchange Act, regardless of any general incorporation language in such filing, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release issued by the Company on December 22, 2022.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MERSANA THERAPEUTICS, INC.

Date: December 22, 2022

By: /s/ Brian DeSchuytner
Brian DeSchuytner
Senior Vice President, Chief Financial Officer

Mersana Therapeutics Announces Research Collaboration and Commercial License Agreement with Merck KGaA, Darmstadt, Germany to Develop Novel Immunosynthen Antibody-Drug Conjugates

- *Collaboration focuses on discovering novel STING-agonist ADCs for up to two targets leveraging Mersana's proprietary immunostimulatory platform*

- *Mersana to receive $30 million upfront payment, up to $800 million in development, regulatory and commercial milestones, and tiered royalties up to the low double-digit percentages on net sales*

- *Mersana's third significant collaboration agreement in 2022 reflects its increasing role as an ADC partner of choice*

CAMBRIDGE, Mass., December 22, 2022 - Mersana Therapeutics, Inc. (NASDAQ: MRSN), a clinical-stage biopharmaceutical company focused on discovering and developing a pipeline of antibody-drug conjugates (ADCs) targeting cancers in areas of high unmet medical need, today announced a research collaboration and commercial license agreement with a subsidiary of Merck KGaA, Darmstadt, Germany to discover novel Immunosynthen ADCs directed against up to two targets. Immunosynthen, Mersana's proprietary STING-agonist ADC platform, is designed to generate systemically administered ADCs that locally activate STING signaling in both tumor-resident immune cells and in antigen-expressing tumor cells, unlocking the anti-tumor potential of innate immune stimulation.

"Building on our deep expertise in the ADC space, we are focused on the discovery of next-generation state-of-the-art ADC drugs," said Paul Lyne, Head of Research Unit, Oncology, Merck KGaA, Darmstadt, Germany. "An approach that can directly target the tumor microenvironment with an immunomodulatory ADC has the potential to bring the benefits of this immunotherapy to a broader group of patients. This collaboration with Mersana to design novel immunostimulatory ADCs that can harness the potential of the STING pathway is an ideal complement to our innovation in this area."

The STING pathway is a fundamental means of generating innate immune responses that can lead to anti-tumor activity and immunological memory. Mersana has generated preclinical data demonstrating Immunosynthen's ability to enable highly targeted STING activation within both tumor cells and tumor-resident myeloid cells while avoiding unwanted systemic effects.

"We are pleased to be partnering with Merck KGaA, Darmstadt, Germany in a collaboration designed to extend the reach of our Immunosynthen platform and bring novel new product candidates forward with the potential to benefit patients," said Anna Protopapas, President and Chief Executive Officer of Mersana Therapeutics. "With three significant new collaborations signed in 2022 alone, we are demonstrating Mersana's increasing role as a partner of choice within the ADC field."

Under the terms of the agreement, Mersana will develop novel ADC product candidates against up to two targets utilizing its Immunosynthen platform to conjugate proprietary antibodies from Merck KGaA, Darmstadt, Germany. Mersana will be responsible for certain discovery activities, as well as limited preclinical manufacturing and supply obligations, which will be reimbursed by Merck KGaA, Darmstadt, Germany. Merck KGaA, Darmstadt, Germany will be solely responsible for *in vitro* and *in vivo* characterization, other preclinical work, and all clinical development and potential commercialization activities relating to any resulting product candidates.

Mersana will receive an upfront payment of $30 million. Mersana is also eligible to receive reimbursement of certain costs, up to $800 million in potential regulatory, development and commercial milestone payments, and tiered royalties up to the low double-digit percentages on worldwide net sales of any approved ADCs developed under the agreement.

About Mersana Therapeutics

Mersana Therapeutics is a clinical-stage biopharmaceutical company using its differentiated and proprietary ADC platforms to rapidly develop novel ADCs with optimal efficacy, safety and tolerability to meaningfully improve the lives of people fighting cancer. Mersana's lead product candidate, upifitamab rilsodotin (UpRi), is a Dolaflexin ADC targeting NaPi2b that is being studied in UPLIFT, a single-arm registrational trial in patients with platinum-resistant ovarian cancer; UPGRADE-A, a Phase 1/2 clinical trial evaluating UpRi in combination with carboplatin; and UP-NEXT, a Phase 3 clinical trial of UpRi as monotherapy maintenance following treatment with platinum doublets in recurrent platinum-sensitive ovarian cancer. Mersana is also advancing XMT-1660, a Dolasynthen ADC targeting B7-H4, and XMT-2056, an Immunosynthen ADC targeting a novel epitope of human epidermal growth factor receptor 2 (HER2), in addition to other earlier-stage assets. In addition, multiple partners are using Mersana's platforms to advance their ADC pipelines. Mersana routinely posts information that may be useful to investors on the "Investors & Media" section of its website at www.mersana.com.

Forward-Looking Statements

This press release contains "forward-looking" statements and information within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may be identified by words such as "aims," "anticipates," "believes," "could," "estimates," "expects," "forecasts," "goal," "intends," "may," "plans," "possible," "potential," "seeks," "will" and variations of these words or similar expressions, although not all forward-looking statements contain these words. Forward-looking statements in this press release include, but are not limited to, those concerning Mersana's collaboration with Merck KGaA, Darmstadt, Germany; the development and potential commercialization of product candidates through this collaboration; the obligations of the parties pursuant to the collaboration and license agreement; the therapeutic potential of Mersana's product candidates, including those based on its Immunosynthen platform; the expected receipt of an up-front payment from Merck KGaA, Darmstadt, Germany; and Mersana's potential to receive future milestone payments and royalties pursuant to the collaboration with Merck KGaA, Darmstadt, Germany. Mersana may not actually achieve the plans, intentions or expectations disclosed in these forward-looking statements, and you should not place undue reliance on these forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in these forward-looking statements as a result of various factors, including, among other things, uncertainties inherent in research and development, in the initiation of clinical trials and in the clinical development of product candidates; the risk that Mersana may not realize the intended benefits of its platforms, technology and collaborations; the risk that the outcomes of preclinical studies will be predictive of clinical trial results; risks to Mersana's and its collaboration partners' abilities to meet other anticipated deadlines and milestones, whether presented by the ongoing COVID-19 pandemic or otherwise; and other important factors, any of which could cause Mersana's actual results to differ from those contained in the forward-looking statements, that are described in greater detail in the section entitled "Risk Factors" in Mersana's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission ("SEC") on November 7, 2022, as well as in other filings Mersana may make with the SEC in the future. Any forward-looking statements contained in this press release speak only as of the date hereof, and Mersana expressly disclaims any obligation to update any forward-looking statements contained herein, whether because of any new information, future events, changed circumstances or otherwise, except as otherwise required by law.

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