BioSpectrum
the business of Bio & Health Sciences
ASIA EDITION

Athenex announces joint venture with Xiangxue Life Sciences

July 3, 2018 | News

Apart from this, Athenex has also announced in-licensing of worldwide rights to a pegylated genetically modified human arginase from Avalon PolyTom (HK) Limited (PolyTom), a subsidiary of Avalon Biomedical Management Limited and a strategic investment of US$100 million from Perceptive Advisors, an institution dedicated to supporting the most promising technologies in healthcare.



Athenex Inc., a global biopharmaceutical company dedicated to the discovery, development and commercialization of novel therapies for the treatment of cancer and related conditions has announced that it has entered into an agreement for the establishment of a joint venture with Xiangxue Life Sciences.

Xiangxue Life Sciences is a wholly-owned subsidiary of Xiangxue Pharmaceutical, a long term partner of Athenex for the development of KX-02 for glioblastoma multiforme in China. Xiangxue Life Sciences is a Chinese biopharmaceutical company focused on TCR-based therapies for cancer and has developed a new generation TCR-T, named HATac, which consists of the expression of high binding affinity soluble T-cell receptors on the engineered T-cells to target HLA-antigenic peptide complex on certain types of cancer cells. Early clinical studies in China demonstrated a good safety profile in patients.

Apart from this, it has announced in-licensing of worldwide rights to a pegylated genetically modified human arginase from Avalon PolyTom (HK) Limited (PolyTom), a subsidiary of Avalon Biomedical Management Limited and a strategic investment of US$100 million from Perceptive Advisors, an institution dedicated to supporting the most promising technologies in healthcare.

Dr. Johnson Lau, Chairman and CEO of Athenex, commented, "Given our confidence in our two Phase III programs in Oraxol for metastatic breast cancer and KX-01 ointment for actinic keratosis, we are delighted to have this opportunity to further expand our product pipeline. The additions of TCR-T based cancer immunotherapy in collaboration with our long term business partner, Xiangxue Pharmaceutical and its subsidiary Xiangxue Life Sciences, and of an anti-cancer biologic will further complement and enhance our Oncology Innovation Platform. We are particularly excited about the potential synergies that can be created between the new therapies and our existing pipeline. We have developed a business strategy to fully

explore the potential of all these platforms. We are also grateful to have Perceptive Advisors as our financial partner."

Mr. YongHui Wang, CEO of Xiangxue Life Sciences and Chairman and CEO of Xiangxue Pharmaceutical, said, "Athenex has been an excellent partner of ours, as evidenced by our successful KX-02 collaboration in China. We have witnessed the tremendous growth of Athenex and their effective execution in research and development as well as business expansion. We are a strong believer in the Athenex team and are delighted to form this new Joint Venture with Athenex to take the leadership in exploring a new and promising immunotherapy technology in the global scene. HATac is a breakthrough technology. The combination of this technology in conjunction with the Athenex pipeline and the business plan of Axis Therapeutics holds great promise for the treatment of solid tumors."

Mr. Joseph Edelman, CEO and Portfolio Manager, Perceptive Advisors, added “TCR-engineered cellular therapy represents a potential paradigm shift in the treatment of solid tumors by working with a patient’s own immune system to target specific cancer peptides in the context of presentation by the patient’s HLAs. We are also excited about the metabolic treatment of cancer through the depletion of arginine, which could enable novel future therapies by selectively killing cancer cells through starvation. These two new additions, coupled with the exciting existing clinical pipeline provide an opportunity for synergy creation across Athenex’s business. We are excited to have this strong oncology product pipeline in the hands of a proven management team that has consistently demonstrated an ability to deliver in both clinical studies and commercialization execution. We look forward to continuing our support for their initiatives going forward."

Mr. Sam Chawla, Portfolio Manager, Perceptive Advisors, stated, "We are impressed by Athenex’s robust clinical stage product pipeline and its unique business model. The management team has continually demonstrated strong execution capabilities, as evidenced by the clinical development timelines for its two lead Phase III assets and the rapid build-out of its commercial platform to support the future launch of Athenex’s proprietary products. Athenex has also been successful in securing non-dilutive government funding in the U.S. and Asia to build manufacturing facilities. We are excited to have the opportunity to partner with Athenex to enable the continued growth and expansion strategies of the Company."

As an oncology focused biopharmaceutical company, Athenex has a pipeline of seven clinical stage products, two of which are in Phase III clinical studies. Oraxol, a novel oral formulation of paclitaxel combined with a novel oral non-absorbable P-glycoprotein inhibitor, has completed the recruitment of 180 patients for the second interim analysis to be conducted in the third quarter of 2018 of a Phase III clinical trial for metastatic breast cancer. KX-01 ointment for the treatment of actinic keratosis has already completed recruitment for two Phase III clinical studies.

Laidlaw & Company (UK) LTD served as the sole placement agent to Athenex in relation to the strategic investment by Perceptive Advisors.