Evaluate Vantage

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# EP Vantage Interview - Pharming hoping to bounce back with EU Rhucin approval

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With the European licensing application for lead product Rhucin coming off unscathed from a review committee last week and the prospect of landing a licensing deal before the second half of the year, the future for Dutch pharmaceutical group Pharming is starting to look a little brighter.

Speaking to *EP Vantage* Sijmen de Vries, chief executive of the Dutch group, is keen to point out that Pharming, which was also struggling with its financial situation a year ago thanks to €77m of convertible debts, has got over the hump of its problems, which included being refused approval for Rhucin in Europe back in March 2008.

However these positives have yet to be reflected in the group's share price performance, which has stubbornly sat at around 47 cents for the last six months and has not hit the €1 mark since March last year. One thing that could accelerate progress and pick up the shares is European approval of Rhucin in hereditary angiodema (HAE), which given a fairly strict regulatory timetable could see regulators give their opinion on September 23, followed by a possible EU approval by November 29.

**Partnering talks**

The signing of a partner by the end of the first half could also lift Pharming shares out of the doldrums. With the review committee not throwing up any significant issues from the group's filing, those who might be interested could now see this as an opportunity to firm up commitments.

Mr de Vries says that the drug is the subject of interest.  "We are in active talks with people who are interested in becoming a European partner and people who are interested in covering both the US and European area and people who are interested in being our partner in the US."

From a strategic point of view Pharming would prefer to have one geographical area covered by a partner and sell into the other themselves, but with over €11.7m left in convertible bonds that could become payable on October 31, potentially lowering the group's cash position of €30m or cause it to issue more shares and dilute other investors, the group is not in a position to be picky.

The US, which is more homogenous than Europe, has a clear reimbursement system in place and already has started on doctor and patient education programmes for this under-diagnosed disorder, would be the more preferable market for Pharming to commercialise the drug themselves. It is unlikely that the group would receive a particularly big upfront fee, Edison Investment Research estimate that this could be a very modest €5m with an order for stock.

**Moving markets**

However, first up is European approval, which if it does happen could see Rhucin on the market by December. But it will not be all plain sailing. The drug faces a big challenge in that it will not be first to market in what many see as a very small, specialised space.

In 2008, Shire's Firazyr was approved to treat the illness, which manifests itself with dangerous swelling of the hands, face, intestines and larynx, the first small-molecule drug to treat the illness, whilst CSL Behring and Sanguin have had blood plasma-based infusion products on the market for many years. Still, Mr de Vries appears to be relaxed about Rhucin's prospects.

"From my days in big pharma I really want to be the one with the best products and I really don't care if I'm first or second or even third to market, as long as I have a differentiated product," he says.

**Separate from the herd**

What Pharming is hoping will set Rhucin apart is the fact it is a protein replacement therapy, as opposed to Firayzr, a small molecule product, which Mr de Vries says only affects one of the three pathways that cause HAE attacks, meaning that patients are often prone to breakthrough attacks.

If the European market is looking a little crowded then the US, the next region Rhucin is hoping to crack, is

positively chock full of products. ViroPharma has launched its product Cinryze there, Berinert P is being sold and Dyax recently had its Kalbitor approved in the space.

Mr de Vries is still confident and points to what he sees as the deficiencies of the other products. “Kalbitor is the same story as Firazyr, it's a sub-optimal way of treating people, it affects one pathway, it has breakthrough attacks and even has a black box label for anaphylaxis.”

There are also issues with another of the treatments currently on the market in the US. Cinryze is only indicated in a smaller prophylactic setting and due to US orphan drug regulations can only move into the wider acute setting in late 2015. In turn Berinert P is approved for acute use but only has an incomplete label and is not approved for peripheral or laryngeal attacks, something that Rhucin is hoping it will gain approval in.

**Time lag**

At present Pharming is in pre-BLA discussions with FDA, with a filing expected in the second half of the year. As the group has a priority review, if it is successful it could reach the market by the middle of 2011 in the acute setting.

This will mean that some of the other rival products will have had one or two years on the market by that point and doctors could be reluctant to switch patients. As such Rhucin’s main opportunity could come from new patients or those who have breakthrough attacks on other treatments.

But Mr de Vries is confident that even if Rhucin is late to the party a better product could still take market share from the incumbents.  As to just how large this market is, is debatable. ViroPharma is forecasting sales of $90m-$95m in 2009 for Cinryze, but a better indication of the potential could come when these are added to Dyax's Kalbitor sales, when they are announced from May onwards.

For now, however, the focus is firmly on Europe and how events there will shape the company’s near-term future.

“If we conclude a partnership at the first half of this year, get an approval sorted out then the world will look very different at the later part of this year than it does now,” Mr de Vries says.