Ablynx immuno-oncology deal barely registers in Europe

Had Ablynx’s stock been listed in the US it would probably have enjoyed a more enthusiastic reaction than the anaemic 7% it put on in Brussels today. After all, the company has just done a deal with Merck & Co that covers immuno-oncology.

It might be early days but there are aspects of the tie-up that make it look like a clear evolution of Merck’s approach to what is possibly the hottest area of pharma research. Still, as a European biotech, “we are where we are”, Ablynx’s chief executive, Edwin Moses, told EP Vantage.

The 7% that Ablynx rose today barely reflects the €20m signing fee it has received from Merck. Mr Moses confirmed that this fee was a “pure” up-front payment – unlike the pay-to fund deal that Ablynx struck with AbbVie last year; an additional €10.7m will cover all the expected research costs of the three-year Merck alliance.

It is frustrating, however, that Ablynx is not allowed to reveal the specific checkpoint proteins that its potential nanobodies might target.

Mr Moses was eager to highlight the significant interest generated by projects like Merck’s red-hot anti-PD-1 antibody MK-3475 – recently filed for melanoma – or Bristol-Myers Squibb’s Yervoy (anti-CTLA4). But, pressed specifically on whether Ablynx’s Merck deal actually included one or both of these targets, he would only say that “several candidates” had been predefined.

Major attraction

But there is no doubt that the potential to generate bi- or even tri-specific nanobodies – antibody fragments able to bind to multiple target epitopes – is a major attraction for Merck.

This is because combinations are the next frontier in immuno-oncology, and the Ablynx approach is a conceivable extension of this (Latest combo study goes to the heart of the PD-L1 biomarker question January 22, 2014). Mr Moses speculated that a bi-specific antibody could offer greater efficacy, and because it would be a single molecule there “could be a cost of manufacturing advantage” versus a two-drug combo too.

Nevertheless, work is still at a very early stage; the three-year alliance will seek to identify possible nanobodies and take them through some in vitro and in vivo testing before Merck has the option to take over development and fund clinical trials.

Ablynx already has a separate deal with Merck, signed in late 2012, but this covers a single, relatively intractable, target – a voltage-gated ion channel with possible implication in neuroscience.

Clearly the big pharma group likes something about Ablynx’s approach, but as far as estimating the size of the possibility only Bryan, Garnier & Co analysts have put their heads above the parapet, writing today: “We imagine that PD-1 is one of the targets that Ablynx will work on.”

The broader market’s ability to make a similar leap of faith could be a function of geography as much as the deal’s early development stage.

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