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Medigene keeps eyes on immunotherapy prize



[Madeleine Armstrong](#)

Medigene's reinvention as a T-cell-focused immunotherapy player continues. Not long after appointing a new chief executive it has offloaded a spin-off company, Catherex, whose main asset is a patent portfolio in the field of oncolytic viruses.

The buyer is Amgen, which has just gained EU approval for its own oncolytic virus project, Imlygic, in melanoma – a couple of months after getting the go-ahead in the US. It seems that the intellectual property held by Catherex overlaps that relating to Imlygic, although Medigene declined to give many details. A Medigene spokesperson would say only that some of the IP described technology "very similar to the product that Amgen has".

Amgen is already facing an uphill battle selling Imlygic, which has been overtaken by the checkpoint inhibitors, so the group probably had little stomach for a protracted court battle. The spokesperson said there had been no dispute so far.

Amgen will pay Catherex investors \$10.5m up front, as well as milestone payments related to Imlygic and royalties until the end of 2020. Medigene had a 40% stake in Catherex, which made it the biggest shareholder.

The agreement does not cover NV1020, the phase II oncolytic virus project that was first spun out by Medigene into Catherex, and then by Catherex into a new venture, Aettis, in 2014. It is not clear whether Aettis will continue developing NV1020.

Oncolytic virus overload

Either way Medigene has exited an area of significant activity – at the last count, there were 18 oncolytic viruses in development, including NV1020 ([Adcom puts T-Vec on track to underwhelm, April 30, 2015](#)).

This is a lot of competition in a sector where the rewards seem to be diminishing fast. It is no real surprise, then, that Medigene is choosing to cash Catherex in now and focus on the assets it gained through the acquisition of Trianta Immunotherapies in 2014 ([Medigene's long hunting trip pulls down an immunotherapy company, January 27, 2014](#)).

This is reflected in the choice of the new chief exec, Dolores Schendel, who co-founded Trianta and will take over Medigene from February 1. The previous leader, Frank Mathias, will leave the company, but will remain on the executive management board until March 31 and seems likely to stay involved in an advisory role.

With the Trianta takeover Medigene gained three immunotherapy platforms, the most advanced being a dendritic cell vaccine that reported promising investigator-sponsored phase I/II and compassionate use data in acute myeloid leukaemia at the ASH conference earlier this month.

However, dendritic cell approaches have hardly been a success so far – just look at Dendreon's prostate cancer vaccine Provenge. Even so, Medigene believes that its third-generation vaccine could avoid some of the issues that have dogged the older product, including suboptimal T-cell responses and its prohibitive price tag.

Perhaps more promising are Trianta's other platforms involving engineered T-cell receptor (TCR) adoptive cell therapy and T cell-targeted antibodies, both in preclinical development. Some see the TCR field as a logical extension of CAR-T, one of the hottest sectors for investment in recent times, though it does bring its own set of problems.

And Medigene needs to tap into this rich seam if it is to address its most pressing need, namely cash – it only had around €50m in the bank as of November. "We're using the old legacy portfolio to finance the upcoming initiation of clinical trials for the immunotherapy programme," the spokesperson said, highlighting other similar agreements including the complete transfer of EndoTAG to SynCore earlier this month.

These transactions will bring in some funds, and could convince prospective investors that when it comes to immuno-oncology Medigene is the real deal.

This story has been corrected to reflect Medigene's third-quarter cash balance.

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