

Inovio gets the final farewell from Roche



Jacob Plieth

Inovio has been through various makeovers and name changes in a history spanning over 30 years, but its current incarnation as a DNA vaccine specialist just got a second blow from a key partner, Roche.

The Swiss group yesterday said it was pulling out of an alliance to develop a therapeutic hepatitis B vaccine, INO-1800, two years after scrapping the first part of this agreement involving INO-5150, a DNA immunotherapy against prostate cancer. Inovio is pressing on solo with both assets, but unless it makes real progress it might be left having to hype another effort to tackle a global pandemic.

Inovio's recent attempts to generate interest include [starting a clinical trial of GLS-5700](#), a vaccine against Zika virus, and reporting [initial safety data of an Ebola vaccine](#), INO-4212. Back in 2009, a time of interest in pandemic flu stocks and shortly after Joseph Kim became Inovio's chief executive, the group's stock tripled on preclinical data with a DNA-based influenza vaccine.

\$10m up front

The Roche deal had been struck in 2013, and included INO-5150 and INO-1800 – both DNA-based vaccines – as well as use of Inovio's electroporation technology for vaccine delivery and an option over additional oncology vaccines.

The total deal value was \$412.5m, though only \$10m of this was up front. Within a year [Roche had canned INO-5150](#) – hardly a surprising move given the fast-changing prostate cancer landscape and the dismal failure of cancer vaccine approaches, including Dendreon's prostate cancer immunotherapy, Provenge.

Yesterday's [pulling the plug on INO-1800](#), along with the remainder of the alliance, might seem a bit more surprising. Interest in hepatitis B has been growing, largely thanks to successes in treating hepatitis C and to companies seeking out the next major virus to target; no particularly negative data had been generated with INO-1800.

Inovio blamed Roche's "strategic decision in the area of hepatitis B", and the key probably lies not in the Swiss giant's lack of interest in this field but rather in prioritising other assets; beyond INO-1800/[RG7944](#) Roche has at least two hepatitis B therapeutics in development – RO6864018 in phase II and RO7020322 in phase I.

Going solo

Inovio says an open-label phase I trial of INO-1800, combined with INO-9112, its IL-12-based immune activator, will continue under its sole direction, aiming to complete recruitment and generate data next year.

The group's stock fell just 6% yesterday, suggesting that investors see more value elsewhere in the pipeline – the company does still have AstraZeneca as a partner on INO-3112, a DNA vaccine against cervical cancer, for instance. It also had around \$145m in the bank at the end of the first quarter, so there does not seem to be a pressing need to tap the equity markets.

However, the group needs to make progress. The prostate cancer project on which Roche pulled the plug is to report interim phase I data at long last this year, while Inovio's lead asset, VGX-3100 for cervical dysplasia, has [still not entered pivotal studies two years after completing phase II](#).

Beyond that, of course, investors might want to see some more advanced data with the Zika, Ebola and influenza vaccines. Given Inovio's long history, which includes 18 years' trading on Nasdaq, you can hardly blame them for getting impatient.

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