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20 Apr 2023 | **Interviews**

AstraZeneca Oncology R&D Head On China Biotech Innovation

Looking Again At New Deals

by Dexter Yan

AstraZeneca has been drawn back to drug development innovation in China after accelerating its rate of licensing deals with biotechs in the country over the past few months. Meanwhile, the UK multinational has also been building a network ecosystem together with a Chinese investment bank to take a long-term view in the country, a senior R&D executive told *Scrip* in an interview.

AstraZeneca PLC was once known as the sort of multinational that once moved quickly to get its hands on an innovative drug asset originated in China. Over the past few years, however, it has been largely missing from the deal-making scene whereby various Chinese drug candidates have been scooped up by a collection of international drug makers.

However, the UK-based major is now reviving its enthusiasm for novel drug assets from China, as the local biotech industry has developed to take a leading position on the world stage in a few drug development areas, Susan Galbraith, executive vice president and Oncology R&D head of AstraZeneca, told *Scrip* in a recent interview.

"A decade ago there were a lot of [Chinese] companies that had products that were similar to what were available in the West," remarked Galbraith, one of the architects of AstraZeneca's burgeoning cancer portfolio. "But what we see now is they are leading globally in various areas."

A good showcase of this turnaround came in February, when the multinational announced an up to $1.8bn licensing deal with the Chinese biotechs *Keymed Biosciences Inc.* and *Lepu Biopharma Co., Ltd.* for the global development and commercialization of CMG901, a Claudin 18.2-targeting

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antibody-drug conjugate (ADC). (Also see "*Competition Grows In Claudin18.2 As AstraZeneca Seals Antibody Conjugate Deal*" - Scrip, 23 Feb, 2023.)

The latest partnership emerged 12 years after AstraZeneca joined hands with Hong Kong- and Shanghai-based *HUTCHMED (China) Limited* on Orpathys (savolitinib), a MET inhibitor, with an interlude in 2022 when the UK giant acquired global rights to the bispecific antibody HBM7022, targeting Claudin 18.2 and CD3, from Shanghai-based *Harbour BioMed* in 2022.

Apart from the hot area of ADCs, Galbraith also noted that Chinese companies are well positioned globally in the areas of cell therapy as well as bispecific and trispecific antibodies, noting "high-quality science is happening in this area and could help advance immunotherapy for cancer patients."

Looking forward, AstraZeneca sees more opportunities to strike deals with Chinese biotechs which should aim at the global market, Galbraith added.

Notably, the firm is one of the major multinationals most reliant on the China market in terms of share of global revenue. In 2022, AstraZeneca's sales in the Asian country accounted for 13% of the total, according to its annual results for last year. China is also now the second-largest single-country market for AZ after the US.

Timing And Quality

Regarding the rationale behind the decision to in-license Chinese assets, Galbraith noted that on the part of its potential collaborators in China, R&D timing is important - but the quality of molecule design is equally critical.

"We partnered with Keymed because it has a leading position and has good quality data with a particular construct [of CMG901]," the executive explained.

CMG901 is the frontrunner among at least 10 Chinese-developed Claudin 18.2-targeting ADCs. It has already showed safety and preliminary efficacy in a Phase Ia trial in local patients with Claudin 18.2-positive gastric and gastroesophageal junction cancers, according to data disclosed in January at the annual Gastrointestinal Cancers Symposium of the American Society of Clinical Oncology.

“The early clinical data enable the choice of which company to partner with,” she added.

Building China Ecosystem

Now on the cusp of its fourth decade of doing business in China, AstraZeneca is also building a network ecosystem through local partner CICC Capital, the private equity fund management arm of the state-backed investment bank China International Capital Corporation.

The CICC partnership, in the form of the joint AstraZeneca-CICC Fund, is a major part of AZ’s future in China after 30 years of local operations with a long-term view, Galbraith commented.

In a first step, the collaboration has opened a door for the multinational to tap into Chinese biotechs’ “expertise and global leading innovation in cell therapy,” according to the executive.

In 2021, the AstraZeneca-CICC Fund co-led a $120m series A round investment in CBMG Holdings, also known as *Cellular Biomedicine Group, Inc.*

In addition, by collaborating with the Chinese cell therapy specialist, AstraZeneca gained access to CBMG’s manufacturing process and launched investigator-initiated trials, which also helped it move C-CAR031, an autologous Glypican 3 (GPC3)-targeting, second-generation armored CAR-T cell therapy designed by the UK firm, into the clinic faster in China than elsewhere in the world, Galbraith revealed.

The program seems to be progressing smoothly. At the American Association for Cancer Research annual meeting held in Orlando, FL, in April, CBMG reported that early results from a first-in-human Phase I trial indicated C-CAR031 is well tolerated, with promising anti-tumor activity seen and objective responses in several Chinese patients with advanced hepatocellular carcinoma to date.