



Biotech Daily

Thursday July 27, 2017

Daily news on ASX-listed biotechnology companies

WEHI \$405m+ Canada Venetoclax For Cancer Deal

The Walter and Eliza Hall Institute has signed a \$US325 million (\$A404.5 million) deal with the Canada Pension Plan Investment Board for part of its royalties to venetoclax.

WEHI said its researchers co-discovered venetoclax in a collaboration with Abbvie and Roche's Genentech, retaining royalty rights and today said an undisclosed portion of the royalty rights had been sold to the Canada Pension Plan Investment Board.

The Institute said there was potential for sales revenue royalties beyond the headline amount, which comprised \$US250 million up-front and \$US75 million in milestones.

WEHI said that venetoclax targeted the BCL-2 protein and was currently in a phase III trial for advanced chronic lymphocytic leukaemia, with potential for other cancers.

In 2016, WEHI published a 116-patient, phase I, dose-escalation Melbourne trial which showed that 92 patients (79%) had "promising responses to the drug, with 20 percent of those involved going into complete remission" (BD: Jan 28, 2016).

In May 2016, a 107-patient, single-arm, phase II trial of venetoclax for chronic lymphocytic leukaemia, published in *Lancet Oncology*, confirmed those results with a 79.4 percent overall response rate, and in January this year, *Lancet Oncology* published a 49-patient, phase Ib combination trial of venetoclax with rituximab which achieved an 86 percent overall response rate and 51 percent complete remission rate.

According to www.clinicaltrials.gov, a 389-patient, phase III trial of venetoclax with rituximab compared to bendamustine with rituximab for relapsed or refractory chronic lymphocytic leukaemia has been recruited.

The drug is approved by the US Food and Drug Administration, the European Medicines Agency and the Australian Therapeutic Goods Administration (BD: Jan 22, 2017).

Federal Health Minister Greg Hunt said the deal was “one of the great moments in Australian medical science”.

Mr Hunt and Victoria Health Minister Jill Hennessy acknowledged each other’s contribution to funding the Institute over many years, resulting in discoveries that benefitted people across the globe.

WEHI director Prof Doug Hilton said the discovery by then doctoral student, now Prof, David Vaux at 5.30pm on July 28, 1987 was “simple”.

“Genes tell cells when to die, and if they don’t, it’s cancer,” Prof Hilton said.

Prof Hilton said that he saluted all 400 researchers who had worked on the project, singling out the clinical researchers as those who worked full-time in their hospitals and full-time in the Institute and said venetoclax was in more than 40 trials worldwide.

Prof Hilton said the sale of partial royalties to Canada was “a landmark commercial deal” following a change of culture towards commercialization and paid tribute to the business development team led by Julian Clark and Carmela Monger.

Prof Hilton thanked “the vision and steadfast support” from the State and Federal Governments, acknowledged the previous Steve Bracks and John Brumby Governments and said the Australian Synchrotron at Clayton was “essential” for the project.

Prof Hilton said that part of the revenue would go to the Institute’s endowment fund for future research projects as well as to a 100-place early childhood education centre being built on the WEHI campus to provide places for the children of working parents.

Ms Hennessy said that “we are so good at research and translation and need to improve commercialization ... [but] the reason you all do this and why we support you is giving people a better life”.

Ms Hennessey said she had met patients who had been told to go home and prepare to die but following venetoclax “some of those patients are alive five years later”.

WEHI said MTS Health Partners was its financial advisor with Covington & Burling LLP as special counsel for the royalty sale and Norton Rose Fulbright as Australian legal adviser.