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Kazia $382m+ Simcere Paxalisib Brain Cancer China Deal

Kazia says it has a more than $US292 million ($A381.6 million) deal with Simcere Pharmaceutical Group to commercialize paxalisib for brain cancers in Greater China.

Kazia said it would receive an upfront payment of $US11 million, comprising $US7 million in cash and a $US4 million equity investment at a 20 percent premium to recent trading, along with milestone payments of up to $US281 million for glioblastoma, with further milestones payable for indications beyond glioblastoma, and mid-teen percentage royalties on commercial sales.

The company said that Simcere would assume responsibility for the development, registration, and commercialization of paxalisib in Greater China, including the People's republic of China, Hong Kong, Macau and Taiwan.

Kazia said it retained the rights to the development and commercialisation of paxalisib, formerly GDC-0084, in all other territories and will continue to drive forward the GBM AGILE pivotal study as planned, including in China.

The company said the funds would be applied to the further development of paxalisib.

Kazia said that Simcere was one of China's leading pharmaceutical companies, with more than 40 marketed products and an extensive development pipeline, with a primary focus in oncology, central nervous system disease and autoimmune disease.

Kazia said that paxalisib was currently the subject of six other brain cancer studies beyond glioblastoma.

Kazia chief executive officer Dr James Garner said that China was “one of the world’s largest pharmaceutical markets, with specific requirements and opportunities for innovative oncology products”.

“Simcere’s track record of success is unrivalled, and they bring to paxalisib first-class capabilities in clinical development, regulatory affairs, and commercialization,” Dr Garner said.

Kazia said that the transaction satisfied the conditions for the fourth milestone in its 2016 purchase of Glioblast Pty Ltd and would result in the issue of escrowed shares to Glioblast shareholders.

The company said that a phase II study of paxalisib in patients with newly diagnosed glioblastoma with unmethylated MGMT gene promotor status showed “highly encouraging signals of clinical efficacy” (BD; Apr 7, 2020).

In January, Kazia said recruitment had begun for paxalisib in the glioblastoma Agile platform study, which was expected to serve as the basis for registration in key territories (BD: Jan 17, 2021).

Kazia was up 14.5 cents or 10 percent to $1.595 with 714,785 shares traded.