

CONSILIUM LOOKS AT WHAT'S HAPPENING IN THE FAR EAST, WHERE BIOTECH IS THE NEW BUZZ WORD...



Last year over \$10bn was invested in Chinese life science companies, fuelling a boom in a country which less than a decade ago still predominantly manufactured ageing generic medicines and lacked the R&D capabilities of its western counterparts, who were forging ahead with next generation biological treatments and laying the foundations for innovation such as new gene and cell therapies.

The picture today is very different, with China rapidly emerging as a world leader in cell therapies like CAR-T, with 116 clinical trials investigating treatments for solid and haematological tumours, compared with 96 in the US.

So what has changed? China's dramatic turnaround can be attributed to a number of factors.

If you build it, they will come

Chinese companies have been boosted by a raft of government incentives to entice Chinese-born academics and biopharma workers who trained and worked abroad to return with the promise of funding grants and tax breaks. These returning "sea turtles" (as they have been nicknamed) have formed the leadership backbone of a new Chinese biotech sector, drawing on experiences gained from big pharma in the US and supported by the pool of talent being produced by fast growing scientific institutions in China itself. Moreover, huge amounts of government investment in hubs such as the Zhongguancun Science Park, which promotes itself as one of the leading technology centres in the world, offer comparatively low-cost lab space to would-be entrepreneurs.

The regulatory landscape has also been optimised to make it faster and easier to move new medicines through the clinic quickly, and regulators have been much more open to the use of new technologies in human trials. For example, several Chinese CAR-T trials have

utilised CRISPR gene editing, whereas scientists in the US have so far been prohibited from doing so. However, some have called on the Chinese regulators to strike a balance between rapidly advancing new medicines, and avoiding a "wild-west" scenario of overly risky innovation.

Land of opportunity

Speaking at the recent BioEquity Europe conference, Franck Le Deu of McKinsey told a panel audience that "China is the most exciting healthcare story in the world and will be worth \$1tn by 2020."

Increasing levels of affluence combined with an ageing Chinese population leaves little doubt of the growth potential locked in China's healthcare sector – a market that Western companies are keen to access. For example, in February, the Chinese investment fund Fosun signed a strategic agreement with London-based healthcare and life science company Arix Bioscience plc to develop and commercialise new clinical therapies for patients with a focus on the Chinese markets.

*"Fosun's extensive footprint and network in China will enhance Arix's already strong sourcing power and provide our Group Businesses the opportunity of developing a deep relationship with a leading distribution partner in China. Together, we look forward to addressing significant unmet medical need in China and beyond," said **Joe Anderson, CEO of Arix Bioscience.***

Selling drugs in China is also getting easier. With regulatory restrictions being relaxed, leading international pharma companies now... **continued...**



MONTHLY INTELLIGENCE

MEDIA MOVES

- **Noemie Bisserbe** is now on maternity leave from The Wall Street Journal
- **Rhys Blakely** will replace **Oliver Moody** as The Times Science Correspondent from August
- **Oliver Shah** will replace **Iain Dey** as The Sunday Times Business Editor from 1 July
- **Lucie Ellis** has replaced **Nancy Dvorin** as Managing Editor of In Vivo
- **Tom Braithwaite** is now Companies Editor at the Financial Times

ANALYST & SPECIALIST SALES MOVES

- **Alex Pye** has left finnCap
- **Marieke Vermeersch** has joined KBC Securities

BANKING MOVES

- **Cedric Moreau** has left Oddo BHF to join Sofinnova Crossover Fund
- **Alex Price** is leaving N+1 Singer
- **Tom Salvesen** is joining N+1 Singer





THIS MONTH'S MOVERS AND SHAKERS

- Vortex Biosciences appointed **Bob Englert** as CEO and promoted **Steve Crouse** to COO
- Midatech appointed **Dr Craig Cook** as CEO
- Advanced Medical Solutions announced that **Mary Tavener** intends to retire as CFO and Board Director on 31 December 2018 after 19 years and **Eddie Johnson**, previously Group Financial Controller, will replace her
- Crescendo Biologics appointed **Eva-Lotta Allan** as Non-Executive Director of the company
- Sanofi appointed **Jean-Baptiste Chasseloup de Chatillon** as CFO and Executive Vice President
- Mainstay Medical appointed **Wolfgang Frisch** as VP, Managing Director, Germany
- Abcam appointed **Peter Allen** as Non-Executive Chairman
- Allogene Therapeutics appointed **Eric Schmidt** as CFO
- Inoviva announced that **Michael Stocum** will step down as CEO
- Axcella Health appointed **Bill Hinshaw** as CEO
- Arcturus Therapeutics reinstated **Joseph Payne** as its CEO and president, and **Pad Chivukula** as its CSO and COO following a period of litigation
- Human Longevity announced that its CEO, **Craig Venter** has stepped down
- Parvus Therapeutics appointed **Curtis Ruegg** as CEO
- Kronos Bio appointed **Norbert Bischofberger** as President and CEO
- OptiScan Biomedical appointed **Cary Vance** as president and CEO
- Semma Therapeutics appointed **Bastiano Sanna** as President and CEO
- GlaxoSmithKline announced that CFO **Simon Dingemans** plans to retire and step down from the board next May
- Avacta Group appointed **Eliot Forster** as Non-Executive Chairman to the Board
- Adve rum Biotechnologies announced that **Amber Salzman** has stepped down as President and CEO
- Achillion Pharmaceuticals promoted **Joseph Truitt** from COO to CEO
- C4 Therapeutics promoted **Andrew Phillips** from President and CSO to CEO
- Eagle Genomics appointed Executive Chairman **Anthony Finbow** as CEO
- Portola Pharmaceuticals announced that **William Lis** will retire as CEO on 1 August
- Daré Bioscience appointed **David Friend** as CFO
- Celgene announced that **Peter Kellogg** will step down as CMO in August prior to retirement in 2019, and will be replaced by **David Elkins**
- Alder BioPharmaceuticals appointed **Robert Azelby** as President and CEO
- Atara Biotherapeutics appointed **Utpal Koppikar** as CFO
- Theranos appointed **David Taylor** as CEO and General Counsel



HIGHLIGHTED FUNDRAISING ACTIVITY FROM MAY TO JUNE 2018

COMPANY NAME	AMOUNT RAISED	TYPE OF FUNDRAISE	COUNTRY	DATE
PUBLIC COMPANY FINANCINGS				
uniQure N.V.	\$128.5 million	Follow-on	US	3-May-18
Ping An Healthcare and Technology	\$1.1 billion	IPO	Hong Kong	3-May-18
WuXi AppTec Co. Ltd.	\$354 million	IPO	China	8-May-18
Evelo Biosciences Inc.	\$85 million	IPO	US	9-May-18
AxoGen Inc.	\$123 million	Follow-on	US	9-May-18
MEI Pharma Inc.	\$75 million	Private placement	US	14-May-18
Polyphor Ltd.	\$155.3 million	IPO	Switzerland	15-May-18
Ligand Pharmaceuticals Inc.	\$650 million	Convertible notes	US	18-May-18
MyoKardia Inc	\$183.8 million	Follow-on	US	23-May-18
Coherus BioSciences Inc.	\$75 million	Follow-on	US	23-May-18
Kiniksa Pharmaceuticals Ltd.	\$152.6 million	IPO	US	24-May-18
Scholar Rock Holding Corp.	\$75 million	IPO	US	24-May-18
Melinta Therapeutics Inc.	\$110 million	Follow-on	US	24-May-18
Iterum Therapeutics plc	\$80 million	IPO	US	25-May-18
JHL Biotech Inc.	\$106 million	Convertible bond	Taiwan	30-May-18
Vericel Corp.	\$65 million	Follow-on	US	1-Jun-18
Kadmon Holdings	\$100 million	Follow-on	US	12-Jun-18
Immunomedics	\$276 million	Follow-on	US	13-Jun-18
PRIVATE COMPANY FINANCINGS				
Casma Therapeutics Inc.	\$58.5 million	Series A	US	3-May-18
Neurana Pharmaceuticals Inc.	\$60 million	Series A	US	7-May-18
Escent Pharmaceuticals Inc.	\$40 million	Series A	US	9-May-18
CStone Pharmaceuticals Co. Ltd.	\$260 million	Series B	China	9-May-18
MabSpace Biosciences Co. Ltd.	\$40 million	Series B	China	10-May-18
Innovative Cellular Therapeutics	\$28.3 million	Series B	China	10-May-18
Beam Therapeutics	\$87 million	Series A	US	14-May-18
Acousia Therapeutics GmbH	\$12 million	Series B	Germany	14-May-18
CellCentric Ltd.	\$26 million	Private round	UK	15-May-18
Celsius Therapeutics	\$65 million	Series A	US	15-May-18
Nohla Therapeutics Inc.	\$45 million	Series B	US	15-May-18
Xenikos B.V.	\$30 million	Series B	Netherlands	15-May-18
MediSix Therapeutics Pte. Ltd.	\$20 million	Series A	Singapore	15-May-18
Surface Pharmaceuticals Inc.	\$20 million	Series A	US	15-May-18
FOG Pharmaceuticals Inc.	\$66 million	Series B	US	16-May-18
EIP Pharma LLC	\$20.5 million	Series B	US	16-May-18
HiFiBio Therapeutics	\$37.5 million	Series B	US	16-May-18
Accent Therapeutics Inc.	\$40 million	Series A	US	18-May-18
Rain Therapeutics Inc.	\$18.4 million	Series A	US	22-May-18
Grail Inc.	\$300 million	Series C	US	22-May-18
Lava Therapeutics B.V.	\$18.8 million	Series B	Netherlands	23-May-18
Strata Oncology Inc.	\$26 million	Series B	US	23-May-18
Kronos Bio Inc.	\$18 million	Seed financing	US	23-May-18
HitGen Ltd.	\$39.1 million	Series B	China	29-May-18
Lion TCR Pte. Ltd.	\$20 million	Series A	Singapore	29-May-18
Cortexyme Inc.	\$76 million	Series B	US	31-May-18
CAMP4 Therapeutics Corp.	\$30 million	Series A	US	31-May-18
CMR Surgical	\$100 million	Series B	UK	4-Jun-18
Enyo Pharma S.A.	\$46.8 million	Series B	France	4-Jun-18
Laekna Therapeutics Shanghai Co.	\$18.5 million	Series A	China	4-Jun-18
TRiCares SAS	\$25.4 million	Series B	France	4-Jun-18
Just Biotherapeutics Ltd.	\$35 million	Series B	US	6-Jun-18
Metacrine Inc.	\$65 million	Series C	US	6-Jun-18
Oncologie Ltd.	\$16.5 million	Private Round	US	7-Jun-18
Siranomics Inc.	\$25 million	Series C1	US	7-Jun-18
SutroVax Inc.	\$85 million	Series C	US	7-Jun-18
ABL Bio Inc.	\$65 million	Series C	South Korea	8-Jun-18
Juvenescence Ltd.	\$50 million	Series A	UK	11-Jun-18
EE	\$130 million	Private Round	US	12-Jun-18
StrideBio Inc.	\$15.7 million	Series A	US	13-Jun-18
Freeline Therapeutics	\$116.9 million	Series B	UK	19-Jun-18
iTeos Therapeutics	\$75 million	Series B	Belgium	20-Jun-18

Source: BioCentury

WHAT'S HAPPENING IN THE FAR EAST WHERE BIOTECH IS THE NEW BUZZ WORD...continued

view China as a much more important market, and a faster route to market for innovative new therapies is making Chinese investors increasingly hungry for a share in the returns from new therapies.

Flow restrictions

Chinese capital is not only transforming the domestic landscape. Money is flowing out of China as well as into it. In April, Bloomberg reported that venture capital funds based in China poured \$1.4bn into private U.S. biotechnology firms in the first quarter of 2018, accounting for about 40 percent of the \$3.7bn that the companies raised in the period overall. Investors such as Fosun are actively targeting foreign investment with Healthcare representing a key market.

There are questions as to whether this outward flow of Chinese capital will continue at this rate. Factors such as China's increasingly fractious trade relationship with the US, combined with a desire to keep capital within its own borders, may prove limiting in time. Hong Kong's impending move to allow biotechnology firms to list on the city's stock market before they

generate any revenue will make it attractive to burgeoning biotech companies and prospective investors in China and internationally. In March 2018, the South China Morning Post reported that Mainland China stock exchange officials have held initial talks with major investors and some of China's top biotech firms, exploring the possibility of allowing them to list by exempting them from current profit track record requirements, in a move seen to be aimed at stemming the flow of domestic firms seeking listings abroad.

China's rapid ascendancy as a leading force in the global biopharmaceutical industry looks set to continue. Thanks to huge levels of inward investment, China's domestic R&D and drug development capabilities will undoubtedly continue to progress, but the sheer size of the opportunity combined with a regulatory regime adapted to allow a faster path to approval means that this vast market is becoming increasingly important to international companies. Looking ahead, it is uncertain whether China's spending spree abroad is sustainable and it remains to be seen whether Hong Kong, with newly biotech-friendly listing rules, will grow into a hub for healthcare investment.



INVESTOR CONFERENCE EVENT CALENDAR

2018

AUGUST

Canaccord Genuity Annual Growth Conference, Boston (8-9 August)

SEPTEMBER

Rodman & Renshaw Annual Global Investment Conference, New York (4-6 September)

Wells Fargo Securities Healthcare Conference, Boston (5-6 September)

RW Baird Healthcare Conference, New York (5-6 September)

Citibank Annual Biotech Conference, Boston (5-6 September)

Goldman Sachs European MedTech & Healthcare Services Conference, London (5-6 September)

Goldman Sachs Annual Biotech Symposium, London (7 September)

BioCentury Annual Newsmakers in the Biotech Industry, New York (7 September)

Morgan Stanley Global Healthcare Unplugged Conference, New York (10-12 September)

BAML Global Healthcare Conference, London (11-14 September)

OCTOBER

Cantor Fitzgerald Healthcare Conference, New York (1-3 October)

Ladenburgh Thalman Healthcare Conference, New York (2 October)

ARM Cell & Gene meeting on the Mesa, La Jolla (3-5 October)

Sachs Annual Biotech in Europe Forum, Basel (4-5 October)

Biotech in Europe Forum, Basel (4-5 October)

Sachs Annual Medtech & Digital Health Forum, Basel (5 October)

Cowen & Co. Annual Therapeutics Conference, New York (9-10 October)

BIO Investor Forum 2018, San Francisco (17-18 October)

BIA UK Bioscience Forum, London (18 October)

NOVEMBER

FT Global Pharmaceutical and Biotechnology Conference 2018, London (5-6 November)

BIO-Europe 2018, Copenhagen (5-7 November)

Credit Suisse Annual Healthcare Conference, Scottsdale (5-7 November)

Biotech and Money World HealthEx Forum, London (12-13 November)

Consilium Strategic Communications Annual Healthcare Conference, London (13 November)

Boston Biotech Europe CEO, London (13-14 November)

Stifel Nicolaus Weisel Healthcare Conference 2018, New York (13-14 November)

Jefferies Healthcare Conference, London (14-15 November)

Evercore ISI Healthcare Conference, Boston (27-29 November)

Piper Jaffray Annual Healthcare Conference, New York (27-29 November)

Forbes Healthcare Summit, New York (28-29 November)

Canaccord Genuity Medical Technology and Diagnostics Forum, New York (TBD)

DECEMBER

Berenberg Bank Annual European Conference, Surrey (3-4 December)

Citibank Global Healthcare Conference, New York (5-6 December)

If you would like to receive our Monday Healthcare Bulletin, which summarises all healthcare business news from the weekend, please contact: admincsc@consilium-comms.com

EUROPEAN MEDISCIENCE AWRDS 2018

Congratulations to all winners of the European Mediscience Awards 2018, including Consilium clients Ablynx, C4X Discovery and Oxford BioMedica



CONSILIUM STRATEGIC COMMUNICATIONS

INTERNATIONAL HEALTHCARE COMMUNICATIONS



Leading specialist advisor
in Europe – deep sector
knowledge



Experts across
all sub-sectors of
healthcare



Unparalleled
global network



Trusted advisor to
the highest quality
international companies



Long-term
relationships



41 LOTHBURY | LONDON | EC2R 7HG
NEW YORK | BOSTON | SAN FRANCISCO

+44 (0)20 3709 5700

info@consilium-comms.com

www.consilium-comms.com



@ConsiliumHC