Redx Pharma

RXC004 2mg dose selected for Phase II trials

27 July 2021

- Results from RXC004's Phase I dose-escalation study show promising safety and tolerability, and a 2mg once daily (oral) dose will be used in the planned Phase II studies. The first of these proof-of-concept trials, with RXC004 evaluated as monotherapy, is expected to start during H221. Additional studies, in combination with immuno-oncology treatments (such as checkpoint inhibitors), will follow.
- RXC004 is a novel porcupine inhibitor that targets the Wnt pathways, a series of signalling systems implicated in the initiation and progression of many difficult to treat solid cancers. Inhibiting porcupine selectively impacts tumour growth driven by specific gene mutations, such as RNF43 and fusions in the RSPO gene family. These are often found in colorectal, biliary, and pancreatic cancers, with preclinical studies suggesting tumours carrying the relevant mutations appear particularly sensitive to porcupine inhibition.
- Results from the Phase I study are expected to be presented at the ESMO congress in September. The trial enrolled patients with a variety of advanced solid tumours but, being a safety study, these were not selected for the relevant genetic mutations. The Phase II studies will address patients with the appropriate sensitivities in genetically selected MSS mCRC and pancreatic cancer, and include all patients in biliary cancer (where typically c 70% have high Wnt expression). Preliminary data, expected in H222, will give the first true indications of clinical efficacy.
- RXC004 is also being evaluated in Phase I safety studies in combination with a checkpoint inhibitor, with completion expected before end-2021. Efficacy will also be evaluated in similar proof of concept Phase II trials in combination with immuno-oncology therapy, where the opportunity to overcome Wnt driven tumour immune evasion would be highly attractive.

Trinity Delta view: Redx Pharma has an enviable record of developing differentiated "best in class" compounds. This is due primarily to its undoubted medicinal chemistry expertise. Management has created an attractive, and well balanced, clinical portfolio; with two in-house assets (RXC004 and RXC007) and two partnered programmes (AstraZeneca and Jazz Pharmaceuticals). The progression of RXC004 into Phase II trials marks an important milestone in the development of this lead programme and follows the recent de-risking of the regulatory pathway for ROCK2 inhibitor RXC007. Our rNPV model, employing deliberately conservative assumptions, generates a £350.7m valuation, equivalent to 128p/share (86p fully diluted).

Price	56.5p
Market Cap	£155.3m
Primary exchange	AIM
Sector	Healthcare
Company Codes	REDX
Corporate client	Yes

Company description:

Redx Pharma specialises in the discovery and early clinical development of small molecule therapeutics, with an emphasis on oncology and fibrotic disease. Typically, these are progressed through proof-of-concept studies and then partnered for further development. The strategy has been validated by several collaborations.

Analysts

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