Redx Pharma

R&D update: RXC004 and RXC007 in the spotlight

12 October 2021

- Redx Pharma's virtual R&D event focussed on its two lead wholly owned assets: RXC004, a porcupine inhibitor shortly set to start its first Phase II trial in genetically selected Wnt-ligand driven cancers, and RXC007, a ROCK2 inhibitor that, following promising initial Phase I data, is expected to enter Phase II studies in idiopathic pulmonary fibrosis in 2022. Building on our September 2021 Update which covered these assets, we highlight new or relevant information emerging from the management and key opinion leader presentations from Prof Scott Kopetz (MD Anderson), Prof Gisli Jenkins (Imperial College London), and Prof Toby Maher (Keck Medicine, USC LA).
- Effective targeting of the Wnt pathway has been a clinical goal in many solid tumours, notably mCRC (metastatic colorectal cancer) where it plays a critical role in aggressive disease. mCRC outcomes remain very poor, with median survival of 30 months and five-year survival of 12%. MSS mCRC has an even worse prognosis, and anti-PD-1 checkpoint inhibitors have not shown any monotherapy efficacy. In Q421 RXC004 will begin a Phase II monotherapy programme in genetically selected MSS mCRC and pancreatic cancers, and in biliary tract cancer. A CPI-combination (nivolumab) arm in MSS mCRC will start in H122. Success here would not simply address a genetically specified tumour population but could help unlock the potential of CPIs in mCRC.
- RXC007 is a highly specific ROCK2 inhibitor that targets a nodal point in the fibrosis pathways. Historically addressing ROCK without encountering safety issues has proven difficult. Kadmon's Rezurock (belumosudil) is the first and only approved ROCK2 inhibitor, for cGvHD, which established a regulatory pathway. Early RXC007 Phase I data following a single dose of 2mg through to 40mg has confirmed preclinical pharmacokinetics, with no adverse effects. Although already at the predicted biologically relevant doses, further escalations are continuing. Full Phase I data are expected in H122.
- The promise of RXC007 will be explored further in a staged Phase II study in idiopathic pulmonary fibrosis (IPF), a progressive lung condition with a poor prognosis despite two approved products. A Phase IIa safety and tolerability study in IPF with and without standard of care (SoC) will start in 2022 and will inform the Phase IIb dose. The 12-month Phase IIb trial will then evaluate RXC007 plus SoC with forced vital capacity (FVC) lung function as a primary endpoint. If successful here, other fibrotic indications could be explored.

Trinity Delta view: This Virtual R&D event provided third-party validation of the quality of Redx Pharma's medicinal chemistry expertise in solving druggability issues. Both RXC004 and RXC007 target proven biological pathways that have been difficult to safely address. Recent RXC004 Phase I monotherapy results and these initial RXC007 data demonstrate promising safety profiles and attractive dosing profiles. News flow over the next 12-18 months should provide greater visibility on the clinical potential for both programmes. Our rNPV model, based on conservative assumptions, generates a £350.7m valuation (or 128p/share).

Price	80.0p
Market Cap	£220.2m
Primary exchange	AIM
Sector	Healthcare
Company Codes	REDX
Corporate client	Yes

Company description:

Redx Pharma specialises in the discovery and development of small molecule therapeutics, with an emphasis on oncology and fibrotic diseases. It aims to initially progress them through proof-of-concept studies, before evaluating options for further development and potential value creation.

Analysts

Lala Gregorek
lgregorek@trinitydelta.org
+44 (0) 20 3637 5043

Franc Gregori
fgregori@trinitydelta.org
+44 (0) 20 3637 5041

Lala Gregorek lgregorek@trinitydelta.org
+44 (0) 20 3637 5043

Franc Gregori fgregori@trinitydelta.org
+44 (0) 20 3637 5041

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