

BerGenBio

Q218 results highlight progress made in the period

23 August 2018

- Further evidence of bemcentinib's anti-tumour activity was provided by preliminary analysis of interim data from Phase II studies presented during ASCO in June.
- Of particular note was data from the Phase II NSCLC (non-small cell lung cancer) trial in combination with pembrolizumab (Merck's Keytruda). Two out of seven patients (29%) with PD-L1 negative tumours achieved partial responses (PR) and four (57%) had stable disease (SD); in comparison the response rate in a previous pembrolizumab monotherapy study was only 9% in previously treated patients.
- In the Phase II AML/MDS (acute myeloid leukaemia/myelodysplastic syndrome) study, there was also a strong correlation between responders and low levels of soluble AXL in the blood (indicative of high AXL signalling in tumour cells). In the 13 patients with low soluble AXL, three complete responses (CR), three PR and six SD were achieved, with an overall response rate of 46%.
- Further data from most of the ongoing trials and the accompanying biomarker programmes are expected at various conferences throughout H218: including at World Conference of Lung Cancer in September, ESMO in October, and potentially at SITC in November and ASH in December.
- All trials are advancing on schedule. The Phase II NSCLC trial with pembrolizumab has achieved the first stage efficacy milestone, and advanced to the second stage; it will now include up to 48 patients. The study in TNBC (triple-negative breast cancer) with pembrolizumab will not meet the primary efficacy endpoint. The preliminary analysis showed that most patients had AXL and PD-L1 negative tumours and hence would not be expected to benefit from bemcentinib treatment; these findings emphasise the importance of the company's accompanying biomarker programme.
- BerGenBio had a cash position of NOK441.3m at end-Q218, having raised NOK187.5m (\$24m) in gross proceeds from the private placement during the period. This should allow the company to operate into FY20.

Price (NOK)	36.50
Market Cap (NOKbn)	2.00
Primary exchange	Oslo
Sector	Healthcare
Company Code	BGBIO
Corporate client	Yes

Company description:

BerGenBio is a clinical-stage, drug development company based in Bergen, Norway and Oxford, UK. It is developing innovative anti-cancer therapies that act on the promising Axl signalling pathway. The lead oncology compound, bemcentinib, is in a number of Phase II trials.

Trinity Delta view: BerGenBio's broad Phase II programme with bemcentinib is advancing well, on schedule, and delivering promising initial data. The most interesting data is from the Phase II study with pembrolizumab in PD-L1 negative NSCLC patients, but it should be remembered that the Phase II programme has also identified anti-tumour activity with bemcentinib as monotherapy and in combination with targeted and chemo-therapies in various cancers.

Our valuation of BerGenBio is NOK2,519m (\$296m) or NOK50.46/share.

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