

Redx Pharma

RXC008 nominated as GI-ROCK drug candidate

30 March 2022

- Redx Pharma has selected RXC008 as a development candidate in its novel GI-targeted ROCK programme. This will become the second Redx-discovered ROCK (Rho Associated Coiled-Coil Containing Protein Kinase) programme to enter the clinic after RXC007. ROCK is an exciting clinically validated target that sits at a nodal point in a cell signalling pathway, where it modulates inflammatory response and fibrotic processes.
- There are two kinase forms, ROCK1 and ROCK2, that are involved in the development of fibrosis in multiple organs including the lungs, heart, liver, kidneys, and gut. However, the inhibition of ROCK1 is associated with cardiovascular toxicities; hence the systemically acting RXC007, currently completing Phase I trials in IPF (idiopathic pulmonary fibrosis), acts selectively on ROCK2.
- RXC008 is pan-ROCK inhibitor selected designed to only work locally in the gut wall and, as it is quickly degraded by metabolic enzymes, to have a short half-life. This should avoid the systemic side-effects that are associated with simultaneous inhibition of ROCK1 and ROCK2 yet retain the impressive efficacy seen in preclinical models, where both prophylactic (preventative) and therapeutic (reversal) effects were noted.
- The clinical programme will focus on Crohn's disease, where up to half of patients can develop significant fibrosis that leads to stricture formation. The only real treatment for such fibrostenotic disease currently is surgery, but the recurrence rate is high. Clinical success with RXC008 would be genuinely transformational for this sizeable patient population.
- RXC008 is Redx Pharma's third development candidate that addresses fibrosis indications. RXC007 is an in-house programme completing Phase I trials, with a Phase IIa safety and tolerability study in IPF with and without standard of care (SoC) expected to start in 2022. AZN5055, previously known as RXC006, is a potent small molecule of the Porcupine receptor in development by AstraZeneca for fibrosis indications. This was out-licensed, on attractive terms, at the preclinical stage.

Price	72.5p
Market Cap	£204.8m
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.

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Trinity Delta view: The selection of RXC008 is another reminder of the quality of Redx Pharma's discovery platform. It is the strength of its medicinal chemistry expertise, where it has proven its ability to solve complex targeting issues, that underpins the investment case. RXC008 highlights the aim to create either best-in-class or first-in-class small molecules addressing clear needs in oncology and fibrotic diseases. Redx Pharma has a well-balanced clinical pipeline, with a mix of in-house and partnered programmes. This should provide a stream of news flow over the next 12-18 months as development progresses. Our rNPV model, based on conservative assumptions, generates a £434m (\$564.7m) valuation, equivalent to 157.5p/share.

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