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03 May 2023 | **Interviews**

Lilly Migraine Deal Gives AffaMed New Mojo In Changing China: Video Interview

Estimated 130m Sufferers

by Brian Yang

A mega deal with Eli Lilly to exclusively market, promote and distribute Emgality (galcanezumab) in China for migraine prevention offers a critical opportunity for C-Bridge backed AffaMed in an untapped, large market, CFO Vijay Karwal told *Scrip* in an exclusive video interview on the sidelines of EBD's Asia Bio Partnering Forum.

Amid increasingly hot competition for oncology drugs, a new crop of biotechs are looking at CNS conditions and *AffaMed Therapeutics*, backed by CBC group (formerly C-Bridge Capital) has licensed exclusive China rights to galcanezumab, a monoclonal antibody that selectively binds to calcitonin gene-related peptide (CGRP), from *Eli Lilly and Company*.

Approved in September 2018 in the US and marketed as Emgality for the prevention of migraine and in June 2019 for episodic cluster headache in adults, galcanezumab is now available in 20 countries. In the fourth quarter of 2022, worldwide revenues for the drug were $175.6m, up 9%, while sales outside the US were $43.7m, up 8%.

Lilly filed a new drug marketing authorization with China's National Medical Products Administration in June.

Vijay Karwal, chief financial officer of the Shanghai- and US-based firm, discussed the milestone deal in a video interview with *Scrip* on the sidelines of EBD's Asia Bio Partnering Forum, held on 26-27 April in Singapore.

In a largely untapped market, an estimated one in 10 people in China, or 130 million, suffer neurological conditions that could be prevented, noted the company. Ophthalmology, CNS and

psychiatry are its main focus areas and it views the collaboration with Lilly as a critical opportunity to differentiate itself in a rapidly changing market.

CNS The New Battlefield In China

Living through a so-called “biotech winter” in which a capital crunch and funding dry-outs are prevalent, some innovative Chinese drug makers are now resorting to divesting products and other assets and prioritizing projects in order to survive and thrive. AffaMed is betting that its new drug will provide an accelerated path to commercialization; as the world's second-largest pharma market, China has seen a spurt in oncology drugs but few CNS launches.

Since founding, AffaMed has focused on partnerships with western drug makers to license ophthalmology treatments for China. Dextenza (AM007, dexamethasone ophthalmic insert) from *Ocular Therapeutix, Inc.*, gained approval in Macau for ocular inflammation and pain following ophthalmic surgery. In January 2022, the company started a real-world study in Boao, Hainan province to evaluate AM007 for ocular inflammation and pain post-cataract surgery.

CNS is increasingly seen as the next major battleground for Chinese biotechs after immuno-oncology anti-PD-1/-L1 antibodies, with antibody biologics seen as the next generation treatment after small-molecules. Apart from AffaMed, as many as 20 newly founded or established makers are also focusing on conditions ranging from severe depression to seizures to amyotrophic lateral sclerosis in China.

Counting South Korea's *Samsung Bioepis Co., Ltd.* as one of its early key backers, AffaMed also licensed rights to Luminate (risuteganib) from *Hanmi Pharmaceutical Co., Ltd.* for age-related macular degeneration in early 2022. (Also see "*Asia Deal Watch: Hanmi Licenses Greater China Rights To Dry AMD Injectable To AffaMed*" - Scrip, 6 Jan, 2022.) In October 2020, AffaMed merged with *EverInsight Therapeutics, Inc.* and appointed former *Pfizer Inc.* China R&D head Dayao Zhao as CEO.

Rare Opening In Tough Times: New Biotechs Rekindle CNS Development In China

By Brian Yang

14 Apr 2023

A slew of high-level executives has established biotech startups in China with a single focus on CNS conditions. Emerging collaboration and funding flow highlights a heating up market, but insiders tell *Scrip* that choppy waters and an uncertain future may be looming.

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