



Kieger – Thoughts from the Street

ASCO 2017 – Beyond IO

Zurich, June 12, 2017

ASCO confirmed the potential of immuno-oncology (IO) and highlighted impressive innovations beyond IO

We attended the Annual Meeting of the American Society of Clinical Oncology 2017 (ASCO 2017) from June 2 to June 6 in Chicago.

After several years of huge excitement around IO this year's meeting tone was more muted. IO is real and there are synergistic effects in combinations therapies – just as it was hoped for - but what is missing is better biomarkers in order to figure out which patients will benefit best from what treatments.

Furthermore, it seems that indications will be more fragmented in terms of treatment options than previously thought. This raises questions around market potential projections for several drugs.

Our excitement this year was centered around non-IO drugs and cell therapies. Response rates with targeted IO therapies are in the range of 20-50% - leaving a majority of patients in demand for new treatments. Response rates in cell therapies continue to impress. First cell therapies could be approved this year.

Expectations going into the meeting

Eagerly awaited were the detailed breast cancer results of Roche's Perjeta, Eli Lilly's abemaciclib and Astra's Lynparza. Investor expectations before ASCO were already somewhat muted for IO drugs. Main IO data points expected were more details on the combination data of anti PD-1 (the established backbone of IO therapy) together with IDO inhibition (from Incyte). Investors also hoped to get direction for other emerging IO combination therapies.

Reflection on data presented

Incyte's IDO showed promising synergistic activity in combination with PD-1 in several cancer types (lung cancer, renal cancer, head and neck cancer and bladder cancer). On the other hand updates on early stage trials for Chemotherapy/PD-1 and also for PD-1/CTLA-4 combinations were less convincing. What became obvious is that there is no clear understanding of which patients will profit from what combinations. To solve that problem new biomarkers which characterize tumor types are needed. There were very little updates throughout the whole conference on how these new biomarkers might look like. Thus adding a layer of uncertainty to ASCO take-ways.

What also became obvious based on available combination updates is that there will be hardly any homerun for a single combination. Indications (e.g. lung cancer) will be split in many subtypes, dependent on biomarkers and best response rates for respective combination therapies. Splitting indications means, that there is a lot of room for different cancer therapy agents and combinations. Complexity and uncertainty increases and the system (incl. payors) will need to find a way to deal with it.

Roche's APHINITY trial for Perjeta disappointed investors. However, the trial was positive and it will be interesting to see how doctors, regulators and payors will react on the data. Lilly's abemaciclib and Astra' Lynparza will become treatment optionality in different forms of breast cancer with convincing updates, the question here is how big the potential for these agents really is.

Most exciting

By far, the most exciting updates at this year's ASCO were the CAR-T results of Bluebird's and Nanjing's trials in refractory Multiple Myeloma. CAR-T (Chimeric Antigen Receptor-T-cell therapy) is a therapy in which patients' own T-cells are being modified and thought to kill cancer cells. In both trials the overall response rate was 100% with a durable treatment effect. The current standard of care (daratumumab) has reported only around 35% overall response rate. CAR-T's have shown surprisingly high and durable response rates not only in Multiple Myeloma, but also in types of Leukemia and Lymphoma. Thus science fiction becomes reality; first therapies from Novartis and Kite are expected to being approved later in the year.

About ASCO

ASCO is the most important oncology conference in the year. More than 30000 participants get updated on the latest clinical developments in oncology. For healthcare investors ASCO also represents a landmark in the annual calendar, as many pharma and company provide updates on their latest developments and help to put the clinical results presented into context.

Kieger Healthcare Team



Urban Fritsche
Head Healthcare
Investments
+41 44 444 1858
urban.fritsche@kieger.com



Raphael Oesch, CFA
Director Healthcare
Investments
+41 44 444 1849
raphael.oesch@kieger.com



Dr. Balaji V. Prasad
Director Healthcare
Investments
+41 44 444 1829
balaji.prasad@kieger.com



Dr. Maria Specogna
Director Healthcare
Investments
+41 44 444 1828
maria.specogna@kieger.com



**Nadiia Wyttenbach,
PhD**, Associate Equity
Analyst
+41 44 444 1626
nadiia.wyttenbach@kieger.com

Kieger AG
Limmatstrasse 264
8005 Zürich
Switzerland

+41 44 444 1844
info@kieger.com
www.kieger.com

Strategic Partner



This document has been issued through Kieger AG and is for distribution only under such circumstances as may be permitted by applicable law. This document is for information purposes only and does not constitute an offer. Past performance is not a reliable indicator of future results. The details and opinions contained in this document are provided by Kieger without any guarantee or warranty and are for the recipient's personal use only. All information and opinions contained in this document are subject to change without notice. This document may contain statements that constitute "forward looking statements". A number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. Data source: Statstreet / Factset