

BEYOND THE BIOBUCKS

$535M promised for a Chinese lung cancer drug. $25M documented.

Hansoh → EQRx, 2020. Terminated in 2023.

Little cash, mostly sales milestones

$25M upfront: 4.7% of the $535M headline, against an 11% median for the phase 3 deals I track. Of the $510M in milestones, 82% depended on sales.

THE DRUG AND THE BET

Why EQRx paid

Aumolertinib blocks EGFR, a receptor that drives some lung tumours when mutated. EQRx's model: sell cheaper equivalents in the US, using molecules tested in China. The risk: the FDA accepting Chinese data.

WHY IT STOPPED

The phase 3 stopped for corporate reasons

ClinicalTrials.gov

ClinicalTrials.gov · NCT05493501 · reason for stopping

The study is being closed based on corporate changes at EQRx [1] and is not related to any efficacy or safety issues [2] with aumolertinib.

clinicaltrials.gov · NCT05493501

1. A merger agreement required EQRx to wind down its pipeline, per its 10-Q.
2. Nothing in the record says the drug failed.

→ My reading: EQRx priced the new phase 3 into a thin upfront.

From a shortcut to a new phase 3

Jul 2020
EQRx licenses it to sell a cheaper equivalent in the US

2021
Bridging PK study in non-Chinese volunteers: comparable, per EQRx

2022
EQRx starts its own phase 3 vs osimertinib

Aug 2023
Under a merger deal, EQRx notifies termination

4 Aug 2023
Hansoh takes back the rights and pending UK and EU filings

YOUR CALL

How much should a new phase 3 for the FDA cut the upfront?

Public data, descriptive only. Not investment advice.