

HemoGenyx Pharmaceuticals

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Orgenesis to invest at least another US\$1m into HemoGenyx as part of latest collaboration deal

Orgenesis is to invest at least another US\$1m into HemoGenyx Pharmaceuticals PLC (LON:HEMO) after the biopharma entered into a second collaboration deal in as many days.

Friday's deal related to HemoGenyx's advanced hematopoietic chimeras (AHC) - a new type of humanised mouse with a functional human immune system.

READ: HemoGenyx to receive US\$1m investment from Orgenesis
This latest agreement centres on HemoGenyx's Human Postnatal Hemogenic Endothelial Cell (Hu-PHEC) technology.

Hu-PHEC is a cell replacement product candidate that is being developed to generate cancer-free, patient-matched blood stem cells after transplantation into the patient.

"We are very pleased to announce this further collaboration with Orgenesis to rapidly develop and bring to the market our Hu-PHEC technology," said chief executive and co-found Vladislav Sandler.

"The collaboration is a testament to the value of our Hu-PHEC based approach to drastically improving bone marrow transplants."

Up to US\$4m over three years

As with Friday's agreement, Orgenesis, possibly alongside other investors, will invest at least another US\$1m in HemoGenyx through a convertible loan, which can be converted into either HemoGenyx or Orgenesis stock.

Orgenesis will also have the option to invest up to a further US\$1m in HemoGenyx over the next three years. Overall, Orgenesis could invest up to US\$4m in HemoGenyx over the next three years.

In addition, the Nasdaq company has been granted a non-exclusive licence to use, market and sell HemoGenyx's technology, patents and products.

HemoGenyx, which will still manufacture the products and supply them to Orgenesis, will take a 12% cut of any profits Orgenesis makes from selling its technology.

In a separate manufacturing and supply agreement to be inked at a later date, Orgenesis will be able to exclusively supply HemoGenyx products at the end of the clinical development stage.

Should the two fail to sign such an agreement, HemoGenyx will pay Orgenesis an amount equal to 4% of gross revenue derived from the sale of the respective HemoGenyx Products.

Third collaboration agreement of October

Price: 1.96

Market Cap: £7.08 m

1 Year Share Price Graph



December 2018 June 2019 December 20

Share Information

Code: HEMO

Listing: LSE

52 week	High	Low
	3.9	1.8

Sector: Investments and investor services

Website: www.hemogenyx.com

Company Synopsis:

HemoGenyx Pharmaceuticals PLC. is a publicly traded company (LSE: HEMO) headquartered in London, with its wholly owned US operating subsidiary, HemoGenyx LLC, located in Brooklyn, New York at its state-of-the-art research facility ("HemoGenyx"). For more than 50 years, bone marrow transplantation has been used to save the lives of patients suffering from blood diseases.

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In a note to clients, analysts at joint 'house' broker Northland Capital commented: "The agreement provides capital to further the development of the Hu-PHEC cell therapy product and has the potential to provide future revenue from royalties."

They added: "This is the third collaboration agreement announced in October, following collaboration agreements with Janssen, a pharma company owned by Johnson & Johnson and Orgenesis regarding Hemogenyx's AHC mouse model."

"This demonstrates the Company's ability to generate investment from industry across its portfolio of products, an impressive feat for a preclinical stage company."

In mid-afternoon trading, Hemogenyx shares were 1.7% lower at 2.90p, having gained over 9% in the past month.

-- Adds analyst comment, share price --

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