



**Akeso, Inc.**  
(Stock code: 9926)  
**July 2020 Newsletter**



## Capital Market Overview

On 24 April 2020, Akeso, Inc. (“Akeso”, “the Company”, “us”, “we” or “our”, 9926.HK)’s shares officially started to trade on the main board of HKEX. Including the additional net proceeds received from the issue of the over-allotment shares, the total proceeds of the Company’s IPO amounted to around US\$379.8 million. Since listing, the Company’s stock has risen nearly 87.9% from the IPO price of HK\$16.18 as of the closing price of HK\$30.40 on Tuesday, August 4, 2020, and the stock hit its highest intraday price of HK\$38.95 on June 30, 2020.

A wide range of major security companies continues to recognize the Company’s fundamental strengths and future development. On July 15 and 16, Morgan Stanley issued two research reports on the Company, reiterating the “overweight” rating and lifting the target price to HK\$37.9. After comparing the Company to relevant peers in the China biotech space with similar pipeline characteristics, Morgan Stanley saw a further upside to the Company’s current valuation.

Furthermore, Morgan Stanley assumed higher probabilities of success for the Company’s PD-1/CTLA-4 Bispecific Antibody novel drug AK104 in certain indications including PD-(L)1 relapsed/refractory non-small cell lung cancer (NSCLC). Morgan Stanley recognized AK104’s promising efficacy in many major indications such as cervical cancer, NSCLC, hepatocellular carcinoma (HCC) and gastric cancer, and supposed that AK104 could potentially become an improved version of Opdivo/Yervoy combination treatment, given a better safety profile observed in early-stage trials.

Besides, on July 21, Jefferies Group initiated a “buy” rating on the Company with a target price of HK\$50.0. On July 7, China International Capital Corporation and Bank of Communications International both initiated coverage on the Company with “buy” and “outperform” ratings as well as target prices of HK\$39.94 and HK\$45.89, respectively.

Noticeably, on July 28, in one industry research report, JP Morgan stated that the Stock Connect (Southbound) changes would be effective from the open of September 7, 2020. Based on various factors, including average market capitalization, liquidity, and Hang Seng Composite Index membership, JP Morgan forecast that the Company would be among the projected 8 additions.

Since the IPO, the Company’s trading volume has been healthy. The Company’s daily average stock trading volume in July was around 2.77 million shares, indicating that the Company’s trading volume maintains at a high level among 19 other listed biotech companies in Hong Kong.

## Recent Developments

### Appointment of Dr. Michael Chen as Business Development Vice President

Published on July 30, 2020 | [\[Management Highlights\]](#)

Akeso announced the appointment of Dr. Michael Chen as the Business Development Vice President. Dr. Chen has extensive experience in global business development. He will be responsible for overseeing global business development. The joining of Dr. Chen means that the Company will further strengthen pipeline cooperation and business development and will speed up the process of commercialization, which will enhance the core competitiveness and global business layout of the Company.

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### Akeso to Present Data of AK104 (a PD-1/CTLA-4 Bispecific Antibody) in the Treatment of Late-Stage Malignant Mesothelioma at ESMO 2020

Published on July 24, 2020 | [\[Oncology\]](#)[\[AK104 \(PD-1/CTLA-4\)\]](#)

Akeso will announce the efficacy and safety data of the PD-1/CTLA-4 bi-specific antibody AK104 in the treatment of patients with late-stage malignant mesothelioma via an oral report at ESMO 2020. Previously, results from the phase I clinical study has shown that AK104 has a good tolerability and safety profile and has the potential to become a next-generation immuno-oncology therapy with promising clinical efficacy superior to PD-1 antibodies.

[\[View details \(Full text in Chinese\)\]](#)

### Appointment of Dr. Zhang Xinfeng as Senior Vice President

Published on July 17, 2020 | [\[Management Highlights\]](#)

Akeso announced the appointment of Dr. Zhang Xinfeng as the Senior Vice President. Dr. Zhang has extensive experience in global biopharmaceutical chemistry, manufacturing, and controls processes (“CMC”) operation and he shall be responsible for CMC development and technology transfer for antibody drugs.

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### Successful Dosing of the First Patient with PD-1/CTLA-4 Bispecific Antibody Novel Drug Ak104 in Combination with Lenvatinib for First-line Treatment for Final Stage HCC Phase Ib/II Clinical Research

Published on July 16, 2020 | [\[Oncology\]](#)[\[AK104 \(PD-1/CTLA-4\)\]](#)

Akeso announced that the first patient with the first-in-class PD-1/CTLA-4 bi-specific antibody novel drug independently developed by the Company in combination with Lenvatinib for first-line treatment for the final stage HCC successfully dosed. The Company is currently initiating multiple Phase II registration and exploratory clinical studies of AK104 for nasopharyngeal cancer, cervical cancer, and other diseases in China and globally, and the trial results are expected to be released in the near future at various international medical conferences.

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### Dr. Xia Yu Featured in Forbes China, 50 Top Women In Tech

Published on July 3, 2020 | [\[Management Highlights\]](#)

Recently, Forbes China launched its annual list to honor *50 Top Women in Tech* in Mainland China. 5 of the 50 female listees come from the pharmaceutical and healthcare industries, and Dr. Xia Yu, key founder, Executive Director, Chairwoman, President and Chief Executive Officer of Akeso was featured in the list.

[\[View details \(Full text in Chinese\)\]](#)

## About Akeso

Akeso, Inc. (9926.HK) is a company dedicated to the research, development, manufacturing and commercialization of new innovative antibody drugs that are affordable to patients worldwide. Since our establishment, the Company has established an comprehensive in-house drug development platform (ACE Platform), encompassing fully integrated drug discovery and development functions, including target validation, antibody drug discovery and development, process development, and GMP-compliant commercial scale manufacturing. The Company has also successfully established a bi-specific antibody drug development technology platform (Tetrabody Technology Platform). The Company currently has a pipeline of over 20 innovative investigative drugs for the treatment of major diseases like cancer and autoimmune diseases, 9 of which have entered clinical stage, including two first-in-class bi-specific antibody drugs (PD-1/CTLA-4 and PD-1/VEGF). The Company’s vision is to become a global leading biopharmaceutical company through research and development of breakthrough new drugs that are first-in-class and best-in-class therapies.

## Product Overview

Oncology is one of our focused therapeutic areas. Our products in advanced clinical development stage include a PD-1/CTLA-4 bi-specific antibody (AK104), a PD-1 antibody (penpulimab (AK105)) and a PD-1/VEGF bi-specific antibody (AK112).

We have strategically developed an expertise in immunology since our inception and we have one of the richest innovative biologics pipelines in targeting autoimmune diseases among China-based biopharmaceutical companies. In this therapeutic area, we have two drug candidates currently in clinical trials (an IL-12/IL-23 monoclonal antibody (AK101) and an IL-17 monoclonal antibody (AK111)), one drug candidate with IND approved in Australia (AK120, an IL-4R antibody), and one more in IND-enabling stage (AK114, an IL-1 beta antibody).

In addition to oncology and immunology, we have several compounds targeting diseases in other therapeutic areas. For instance, we have discovered and are developing ebronucimab (AK102) (PCSK9), which has strong commercialization capabilities in the cardiovascular therapeutic area.



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