

Cancer Therapeutics Firm Reels in \$47M

DRUGS: CG Oncology aims for 2023 approval

By JESSIE YOUNT

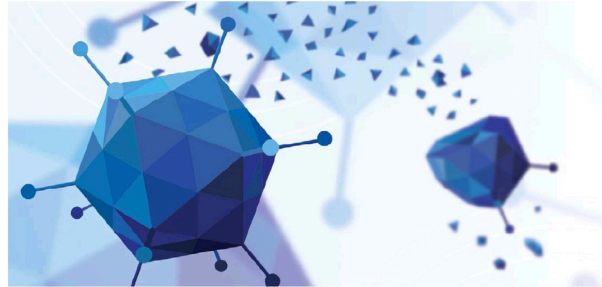
CG Oncology Inc. is ending 2020 on a high note, raising \$47 million this month to support clinical trials of its cancer therapeutics.

The financing round for the Irvine-based firm, which has raised nearly \$83 million since its inception in 2010, is among the largest investment deals in OC in the latter half of the

year.

Completing the raise was “unexpected” given the current environment, Chief Executive Arthur Kuan told the Business Journal.

“In some ways, I think [the pandemic] accelerated investments in the life sciences and biotech areas because in-



Graphic rendering of the company's lead drug candidate

vestors realized big tech companies can't solve everything, like, they can't develop a [COVID19] vaccine,” he said.

“The strength of our technology and our team made us really attractive, and gave our investors confidence to move forward in the midst of the pandemic.”

CG Oncology will use the funds to advance its lead candidate, CG0070, to phase 3 trials.

The company seeks to use the drug to treat late-stage bladder cancer, a condition that impacts an estimated 81,000 patients in the U.S. per year.

It expects to receive federal approval in 2023.

Business Partners

The Series D financing round was led by Kissei Pharmaceutical Co., a Japan-based pharmaceutical manufacturer and seller that entered a licensing agreement with CG earlier this

year.

“CG Oncology has made significant progress in advancing its late-stage oncolytic immunotherapy programs, and we have strong expertise to successfully develop and commercialize CG0070 in Japan, and other countries,” Mutsuo Kanzawa, chairman and CEO of Kissei, said in a statement.

It's been a busy two-year period for CG Oncology on the fundraising front; in 2019 it raised a reported \$22 million for its Series C.

This March, Kissei agreed to pay CG \$10 million in cash, with the potential

for an additional \$100 million in development and commercial milestone payments as well as royalties. In exchange, Kissei was granted exclusive development and commercial rights in Japan, South Korea, Taiwan and other Asian countries, except China.

Camford Capital, existing investors ORI Healthcare Fund and Perseverance Capital Management contributed to the investment round.

Ally Bridge Group, a venture firm that Kuan co-founded, has also invested in the company in the past (see story, this page). Ally Bridge also is a backer of Laguna Hills-based Sonendo Inc. and local device maker Mavrik Dental

Inc.

Future Plans

CG will advance its lead drug candidate to phase 3 trials, as well as two combination development programs in partnership with Merck and Mofitt.

The current front-line or first-choice therapy for non-muscle invasive bladder cancer patients is a Merck-manufactured drug called BCG. The drug is effective in about 50% of patients, but the other half of patients “simply don't respond,” Kuan said.

For these patients, Kuan said the only

treatment option is complete removal of the bladder organ, which many patients refuse, and many patients (the average age being 70) are unfit to undergo such a strenuous procedure.

CG hopes to offer another option to these patients. The company's phase 2 trial for its lead candidate demonstrated a 62% response rate, meaning 62% of patients showed no signs of cancer at six months.

Once the company receives approval as a third-line treatment of bladder cancer, it has ambitions to compete as a front-line therapy option as well, Kuan said.