



# Kinnate lays off 70% of staff, reorganizes pipeline

The company is restructuring its workforce and discontinuing other programs in the pipeline in an effort to extend its cash runway.

Published Sept. 19, 2023



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*An empty laboratory onurdongel via Getty Images*

## Dive Brief:

- Kinnate Biopharma, a biotechnology company focused on targeted cancer therapies, is reducing its workforce by 70%, leaving only 28 full-time employees as it adjusts research priorities.
- The layoffs are part of a larger restructuring plan that has come on the heels of a strategic review of Kinnate's business. As part of the workforce reduction, the company will separate from all employees at Kinnjiu Biopharma, its wholly-owned Chinese subsidiary.
- Kinnate said certain drug programs, including one testing its experimental medicine exarafenib as a monotherapy, will be halted in order to prioritize others. The company still intends to keep testing exarafenib in combination with other drugs like binimetinib, a therapy sold by Pfizer under the brand name Mektovi.

**Dive Insight:**

Kinnate joins the list of over 100 biotechs that have reduced their workforce after setbacks that could include failed drug trials or a lack of funding.

The company announced its initial public offering in December 2020, in which it priced shares at \$20 apiece. Not long after, its share price doubled to over \$40, although it stayed at that level for only a short period. Kinnate shares have since fallen; and this year, they dropped significantly further after the publication of data for exarafenib used in combination with the MEK inhibitor binimetinib.

Kinnate has been working to develop a combination of the two drugs to treat individuals with BRAF-altered solid tumors or those with NRAS mutant melanoma, with initial data published in published in April.

The plan announced Monday to look at different doses of the two treatments was welcomed by some analysts. Stifel analyst Benjamin Burnett wrote in a note to clients that the initial data was not “obviously better than” competitors, “which dampened our appetite into combo readouts.”

“We believe that the company will emerge more aligned with current investor sentiment,” wrote Leerink Partners analyst Andrew Berens.

Kinnate intends to file a New Drug Application for its c-MET inhibitor KIN-8741 in the fourth quarter, while exploring strategic alternatives for its discontinued programs.

Shares fell around 13% following the restructuring news, trading at \$1.37 apiece. As of June, Kinnate had cash and short-term

investments of \$204 million, which at the time was enough to fund the company into early 2025.