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Adimab Yeast-Based Platform Draws Big Pharma's Attention

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At a time when some small biotechs are having a hard time securing early stage partnerships, Adimab Inc. pulled off two major drug discovery deals this month and is in ongoing discussions with many of the top 15 drugmakers for possible future collaborations.

Adimab founder and CEO Tillman Gerngross said, "We expect this momentum to continue for some time."

Pretty good for a firm founded only in 2007 with a simple business model to deliver yeast-based antibodies with greater speed and in greater numbers.

Yeast was a natural choice for cultivating antibodies, since Gerngross and co-founder Dane Wittrup, a professor at MIT who has made key discoveries in the field, both are considered to be world leaders in yeast biotech. Gerngross previously founded GlycoFi Inc., a pioneer in glycoengineering, which allows the making of proteins such as monoclonal antibodies in yeast.

It offers some key advantages over other possible hosts. For example, human B-cell/hybridoma cell lines take days to generate a measurable readout, while Adimab's fully human, yeast-based platform provides a readout in hours, resulting in accelerated discovery and maturation cycles, according to the company.

"Eight weeks later, you walk away with 100 different antibodies," Gerngross said, whereas other approaches may take six months to a year to make a dozen antibodies.

Adimab's technology recently attracted the attention of Roche Holding AG and Merck & Co. Inc. In separate deals, Adimab will use its proprietary yeast-based antibody discovery platform to identify fully human antibodies against targets selected by the drug firms.

Roche has chosen a single target, while Merck has chosen more than one target.

Under the terms of the agreements, Adimab will receive various up-front payments, preclinical milestones and licensing fees. In addition, it is eligible to receive clinical development milestones and commercial milestones and royalties on therapeutic and diagnostic product sales.

Adimab already has a bit of a Merck connection. Gerngross's previous company GlycoFi was acquired by

Whitehouse Station, N.J.-based Merck in 2006 for \$400 million in cash. Under the merger, Merck gained access to GlycoFi's yeast-based technology that provides the ability to make proteins such as monoclonal antibodies.

Antibodies that can be used to target surface proteins or ligands are "the fastest growing area in drug discovery right now," Gerngross said. For large pharmaceutical companies looking to tap into the high growth area of biologics, "access to antibody discovery is a must," he said.

In 2007, the top eight best-selling monoclonal antibodies had total sales of \$24.6 billion, said Janice Reichert, a researcher at the Tufts Center for the Study of Drug Development in Boston, citing figures from MedAdNews. The 2007 global sales were more than \$25 billion, she said.

According to sales data by IMS Health, one category of mAbs, antineoplastics such as Avastin and Herceptin (Genentech), Rituxan (Biogen Idec) and Erbitux (ImClone Systems), had U.S. sales of \$7.5 billion in 2008. Other categories of mAbs include anti-infective and immunological.

Adimab's recent antibody deals with Merck and Roche are just the latest examples of large pharmaceutical companies farming out drug discovery efforts to biotech firms.

In another recent deal, a Merck affiliate turned to privately held Canadian firm Xenon Pharmaceuticals Inc. to carry out small-molecule, cardiovascular discovery work for Merck. (See *BioWorld Today*, June 12, 2009.)

Xenon's deal with Merck would bring in up to \$94.5 million for the first therapeutic target and up to \$89.5 million for each subsequent target selected for drug discovery. That partnership marked Xenon's fifth collaboration with a drugmaker; its previous deals were with Roche, Takeda Pharmaceutical Co. Ltd., Novartis Pharma AG and Pfizer Inc., formerly Warner-Lambert Co.

While Xenon conducts its own in-house drug development as well as drug discovery work for other firms, Adimab is solely involved in the drug discovery business – and wants to keep it that way.

As Gerngross noted, the company is "well capitalized right now," and by the end of the year, Adimab expects to be cash flow-positive. ■

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