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Pfizer on Board

Adimab's Yeast-Based Antibody Platform Nabs Two More Deals

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Adimab Inc. is expected to announce on Thursday two additional partnerships for its yeast-based antibody discovery platform, one with Pfizer Inc. and one with an undisclosed company.

Including previous deals with Merck & Co. Inc. and Roche Holdings AG, that makes four partnerships since Lebanon, N.H.-based Adimab launched its platform in June. (See *BioWorld Today*, June 22, 2009.)

"You have to have something special for that to happen," said Tillman Gerngross, Adimab's co-founder and CEO.

Gerngross has plenty of experience with yeast: He previously founded GlycoFi Inc., whose yeast-based protein production platform led to a \$400 million acquisition by Merck & Co. Inc. But while GlycoFi was concerned with yeast-based production, Adimab is focused on yeast-based discovery. (See *BioWorld Today*, May 10, 2006.)

Another biotech working on yeast-based discovery and production is Alder Biopharmaceuticals Inc. Last month, the firm signed a billion-dollar deal with Bristol-Myers Squibb Co. for the Phase II rheumatoid arthritis antibody, ALD518. (See *BioWorld Today*, Nov. 11, 2009.)

But Gerngross said Adimab offers something no one else can: a technology that allows partners to "come to us with an antigen and walk away with hundreds of fully-human antibodies."

Those claims have already been proven through the Merck and Roche deals.

Adimab delivered a panel of antibodies to Merck and several hundred IgGs to Roche within eight weeks of starting work. Both deliveries triggered undisclosed milestone payments.

The new Pfizer deal calls for Adimab to deliver fully human antibodies against a central nervous system target selected by Pfizer. The new deal with the undisclosed partner will focus on an oncology target.

Terms have not been disclosed for any of Adimab's deals, but all involve up-front fees, milestone payments

and royalties. Gerngross said the terms are average for antibody discovery, with mid-single-digit royalties.

Adimab is on target to sign two additional partnerships in each of the first and second quarters of 2010, Gerngross told *BioWorld Today*. He added that he expects to see several of the existing deals expanded in 2010, once the partners have test-driven the approach against their initial target of choice.

How will Adimab manage the competing interests of so many partners? Gerngross said the company does not offer exclusivity for any targets, noting that target exclusivity is "one of the things that killed this industry in the past." Yet he maintained that Adimab has enough libraries to be able to deliver hundreds of antibodies to each of several partners working on the same target with no antibody overlap.

Another factor that differentiates Adimab from other platform companies is that the biotech has no interest in developing an internal pipeline. "We are pure platform," Gerngross said, for several reasons.

First, while many platform companies have no choice but to build a pipeline in order to prove to pharma partners that the platform works, Adimab has no such problems. "No one comes to us and says, 'We don't believe in fully human antibodies,'" he said.

Second, Gerngross believes that using a platform for both external licensing and internal discovery can "lead to conflicts of interest that are not easy to resolve."

Third, while many biotechs believe the only way to harvest a platform's value is through internal pipeline development, Gerngross sees other options.

Adimab has thus far been backed by an undisclosed amount of venture funding from Google Ventures, Polaris Ventures, SV Life Sciences, OrbiMed Advisors and Borealis Ventures.

Gerngross said the firm has 10 years of cash on hand, given its current net burn.

At some point, those investors may indeed decide to

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harvest the value of Adimab's platform – but he doesn't envision it happening through internal pipeline development or even necessarily through an acquisition.

Antibody companies have proven hot acquisition targets in recent years. Cambridge Antibody Technology Group plc was bought by AstraZeneca plc for \$1.3 billion, Domantis Ltd. got snapped up by GlaxoSmithKline plc for \$454 million, MorphoSys Inc. signed an extensive billion-dollar deal with Novartis AG, Abgenix Inc. was bought by Amgen Inc. for \$2.2 billion and Medarex Inc. was acquired by Bristol-Myers Squibb Co. for \$2.4 billion. (See *BioWorld*

Today, Dec. 15, 2005, May 16, 2006, Dec. 11, 2006, Dec. 4, 2007, and July 24, 2009.)

Gerngross was involved in one such acquisition – the GlycoFi/Merck deal – and admitted to being disappointed to see the technology “absorbed by one company at the exclusion of others.”

When it comes time for Adimab to exit, he'd like to see a licensing deal in which multiple companies end up with access to the technology, but he said it's too early to discuss the details of such an outcome.

For now, Adimab is just trying to get cash-flow positive. ■