

Amgen samples, then buys

BioCentury

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Amgen Inc., which began its relationship with Avidia Inc. last year by investing in the company's series B round, last week said it would acquire the 96% of the company it does not already own for \$290 million in cash and up to \$90 million in milestones. In between the companies' first date and last week's proposal, Avidia has advanced its next-generation protein technology and put its lead compound into the clinic for Crohn's disease.

Avidia (Mountain View, Calif.) uses its Avimer protein technology to develop compounds that consist of single protein chains composed of modular binding domains that can simultaneously bind different sites on a single target and/or sites on multiple targets. Avimers do not use antibodies or antibody fragments for building blocks, but rather originate from the recombination of undisclosed families of human serum proteins (see BioCentury, Dec. 13, 2004).

The company's lead compound is C326, an interleukin-6 (IL-6) inhibitor that entered Phase I testing for Crohn's last month. Avidia also has a preclinical immunoglobulin E (IgE) inhibitor for asthma and a preclinical c-Met inhibitor for cancer, which is partnered with MedImmune Inc. (MEDI, Gaithersburg, Md.).

Avidia CEO Peter Van Vlasselaer told BioCentury the acquisition proposal did not come until it became clear that the company's molecule was advancing well and entered the clinic, and Avidia was meeting its predefined milestones.

Indeed, according to the companies, Avidia is the first non-immunoglobulin scaffold company to have a product in the clinic.

"Last year, Avidia's technology was not as developed; therefore, we started with a venture investment in the company. Our focus was to license the technology," said Winston Kung, senior manager of corporate development at AMGN. "But with the company's lead compound progressing into Phase I testing and the technology platform becoming more developed, we decided an acquisition would be more suitable."

AMGN (Thousand Oaks, Calif.) invested in Avidia's May 2005 series B round and May 2006 series C round, in which the company raised \$28.5 million and \$43.8 million, respectively.

Kung told BioCentury that Avidia's lead compound not only adds a new indication to AMGN's inflammation pipeline — which includes programs in rheumatoid arthritis (RA), asthma, systemic lupus erythematosus (SLE) and psoriasis, but not Crohn's disease — but also has shown utility in RA, for which AMGN and partner Wyeth (WYE, Madison, N.J.) already market Enbrel etanercept.

AMGN said what distinguishes Avimers from other protein therapeutics is the potentially lower cost of goods compared to peptibodies and antibodies, its potential to pursue two different motifs on a target, the ability to explicitly design binding properties to match the target, and the potential to pursue multiple target binding in a single molecule.

“You can make one molecule that interferes with multiple disease targets,” said Van Vlasselaer. “As a result, you can replace antibody cocktails or bind to a specific tissue and affect function locally. And from concept to clinic, it took us only 22 months.”

Morgenthaler Ventures, the lead investor on the series B and a participant in the series C, told BioCentury that Avidia offers an alternative to antibodies that is broadly applicable without the accompanying IP complications.

“We looked for companies working with other protein bodies that have the same breadth of applicability and came across Avidia as the first company to invest in,” said General Partner Ralph Christoffersen.

Avidia is a spinout of Maxygen Inc. (MAXY, Redwood City, Calif.), which owned about 7% of the company at June 30. It would become a subsidiary of AMGN after the deal closes, which is expected next quarter. Strategy