

Forma keeps finding big pharma fans



Amy Brown

Partners just cannot get enough of Forma Therapeutics. The cancer specialist announced its second deal of the week yesterday, with Johnson & Johnson and Boehringer Ingelheim joining the likes of Roche, Eisai and Novartis, all keen to tap the company's know-how.

Forma is certainly working in some of the hottest areas of oncology research - tumour metabolism, epigenetics, protein-protein interactions and more recently, certain aspects of stem cell biology. Work remains very early stage but for a company that has raised just \$51m in venture capital so far progress is encouraging, particularly for a sector struggling to convince investors that they will get their money back.

Hard-to-hit

Massachusetts-based Forma is focusing its platform technologies on hard-to-hit drug targets, in an attempt to build a pipeline of cancer therapies. The company claims to elucidate and process over 40 new drug targets each year, and has the ability to rapidly identify initial molecules and transform them into drug-like compounds to move through the development process. It is a boast that has helped sign up a roster of big partners.

Forma burst on to the scene in January 2009 with news of an antibacterial collaboration with Cubist, a \$25m Series A fundraising and a deal with Novartis Option Fund worth more than \$200m. This was followed less than 12 months later with another \$25m in a series B, in a round that saw Lilly Ventures join Novartis and Singapore's Bio*One Capital on the investor list.

Now overflowing with partnerships deals, it seems unlikely that investors will be asked for further funds anytime soon, unless the company decides it wants to start pushing candidates through the clinic on its own accord.

Deals flowing

The initial oncology deal struck with Novartis was over the development of inhibitors for an undisclosed protein-protein interaction target in the field of oncology. This was followed by a collaboration to help Singapore's Experimental Therapeutics Centre develop drugs against a range of targets, then a year later a partnership was expanded with the Leukemia & Lymphoma Society, to discover and develop small molecule compounds against a key lymphoma target, Bcl-6.

The corporate deals really started flowing at the end of 2010, starting with a broad drug discovery collaboration with Eisai. For an undisclosed upfront fee and committed funding of \$20 million over three years - plus future milestones and royalties - the Japanese company bought non-exclusive access to Forma's compound library and cell-based screening platforms, and an option for technology transfer of the platform.

The company's deal struck in June last year with Roche stood out as particularly innovative. For investors struggling to extract money sunk into private companies without having to sell the whole lot or accept rock-bottom public market valuations, this deal proved that other types of exit can be found. The Swiss pharma giant bought the right to buy a pre-clinical small molecule programme against an undisclosed cancer target at a defined point in time in the future. Forma received an undisclosed upfront payment, research funding and potentially milestone payments; if Roche decides to buy the asset, a "significant" buy-out cheque will be written.

Moving up

The deals announced this week have been more traditional.

Boehringer Ingelheim paid Forma \$65m and will provide research funding to work with it on discovering small molecule drugs against oncology-relevant protein-protein interactions. Under the four-year deal Forma is eligible for up to \$750 million in pre-commercial milestones.

Yesterday, a collaboration with Johnson & Johnson focusing on tumour metabolism mechanisms was revealed. Only a long-way-off bio-dollar deal value was announced in the press release - up to \$700 million if development, regulatory and commercialization milestones are achieved - although Forma is also entitled to

project and milestone funding over several years.

Interestingly in this deal Forma has the opportunity to co-develop and keep North American commercial rights to one programme of J&J's selection.

So far, Forma has proven that it is capable at funding itself successfully while keeping focused on what it does best – early stage drug research. But this latest deal shows it has its sights on moving up the chain.

[More from Evaluate Vantage](#)

Evaluate HQ
[44-\(0\)20-7377-0800](tel:44-020-7377-0800)

Evaluate Americas
[+1-617-573-9450](tel:+1-617-573-9450)

Evaluate APAC
[+81-\(0\)80-1164-4754](tel:+81-080-1164-4754)

© Copyright 2023 Evaluate Ltd.