

Astra back in obesity with early NGM deal



Jacob Plieth

It might be an extremely early-stage research alliance, but AstraZeneca's deal with NGM Biopharmaceuticals could signal the UK group's return to the obesity field that it had abandoned five years ago.

For the time being the alliance is unlikely to feature as more than a footnote to Astra's diabetes venture with Bristol-Myers Squibb. But for NGM the addition of Astra – the third major pharma group to have bought into the young start-up's technology base – must provide strong business validation at a time when investors are desperate to jump on the next big thing in biotech.

Little has been revealed about the tie-up, except that it is an early technology alliance for which Astra has paid an undisclosed amount up front. Work will focus on enteroendocrine cells; NGM says these make up less than 1% of all gastrointestinal cells but produce virtually all known GI hormones, including glucagon-like peptide-1, which in the presence of food stimulates production of insulin.

The companies stress that they are seeking to identify novel secreted hormones that might be linked to the effect that bariatric surgery has on diabetes. They will seek to develop drugs targeting such hormones, with Astra paying NGM additional fees to license and develop each one identified.

Private venture

It should come as little surprise that Astra has turned to yet another private company, NGM, for deal-making ([Astra's Soriot finds hidden value in private assets, June 10, 2013](#)). But that the NGM alliance includes obesity might raise eyebrows.

After all, the UK company effectively closed its obesity work after the 2008 withdrawal of Sanofi's CB1 inhibitor Acomplia. Astra had been developing two similarly acting agents, AZD2207 (phase II) and AZD1175 (phase I), but these were quietly dropped, as were more advanced CB1 inhibitors at companies including Merck & Co, Pfizer and Bristol-Myers Squibb.

NGM was founded just five years ago by several executives of the former Tularik, a biotech company bought by Amgen in 2004 for \$1.3bn. NGM's chief executive, William Rieflin, for instance, was Tularik's chief financial officer. Adding further credibility is Arthur Levinson, the ex-chief of Genentech, who is a board member.

In this short time NGM has already notched up diabetes deals with Daiichi Sankyo and Johnson & Johnson, and a separate ulcerative colitis alliance with the New Jersey company. It raised \$25.5m in 2008 and a further \$51m in 2012, and its private backers include the VC arm of Takeda – a firm with a longstanding interest in diabetes and obesity.

Of course Astra itself already has a major diabetes presence through alliances with Bristol-Myers Squibb around saxagliptin and dapagliflozin, and the firms' joint \$7bn acquisition of Amylin Pharmaceuticals last year. But, while Amylin had once been a prominent developer of obesity treatments, this work had ceased before the group's acquisition by Astra and Bristol.

Still, the US approval of Arena's Belviq – the first new obesity drug for 13 years – and Vivus's Qsymia has given several industry players sufficient confidence to step back into the fray. Astra's deal with NGM could be another small step in this direction.

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