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## Avanir Offering Brings \$25M For Neurodex NDA, Pipeline

**By Karen Pihl-Carey**  
**Staff Writer**

As it nears a new drug application filing for its second product, Avanir Pharmaceuticals Inc. priced a \$25 million common stock offering that will allow it to continue development of its pipeline products.

The company sold 19.7 million shares of Class A common stock to the sole bookrunner New York-based Lazard Freres & Co. LLC for \$1.27 per share, a slight discount to the company's closing stock price Tuesday of \$1.33. The offering is expected to close next week.

"We're finishing up a Phase III program and plan to submit an NDA this year, so this is going to be able to show everybody that we'll have the funding to complete that, as well as to continue to move our extensive pipeline forward without having a hiccup," said Gerald Yakatan, president  
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## Concurrent Pharma Takes Over Allergan's Retinoids For Equity

**By Randall Osborne**  
**National Editor**

Acquiring the same development team that discovered the topical tazarotene known as Tazorac – though not rights to the acne drug itself – Concurrent Pharmaceuticals Inc. has bought a portfolio of near-clinical compounds from Allergan Inc.'s retinoid and rexinoid nuclear receptor drug program.

"I would call it a logical extension of our core activities," said Jeffrey Hatfield, recently appointed CEO of the Fort Washington, Pa.-based firm, which he described as a small-molecule biotechnology company focused on kinases, nuclear receptors and enzyme inhibitors.

Privately held Concurrent, which has a lead drug discovery program in renin inhibitors for cardiovascular diseases, is giving Allergan undisclosed equity plus potential future milestone payments and royalties in exchange for  
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## Brain Enzyme Pointing To Drug Strategy In Alzheimer's Disease

**By Sharon Kingman**  
**BioWorld International Correspondent**

LONDON – The search is on for molecules to stimulate a brain enzyme that can prevent the formation of the toxic deposits that characterize Alzheimer's disease, following encouraging results in an animal model.

Rather than focusing on trying to break down the toxic amyloid  $\beta$ -peptides that lead to the formation of senile plaques in the brain, the strategy aims to prevent amyloid  $\beta$ -peptides from forming in the first place. The approach focuses on boosting the activity of an enzyme called  $\alpha$ -secretase, which breaks down amyloid precursor proteins in such a way that amyloid  $\beta$ -peptides cannot form.

Falk Fahrenholz, director of the Institute of Biochemistry at the University of Mainz in Germany, said: "Our study shows that enhancing the expression or activity of  
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## Plexxikon Gets \$15M Investment For Diabetes Drug Development

**By Aaron Lorenzo**  
**Senior Staff Writer**

Plexxikon Inc. raised \$15 million in venture financing to complete a Series B extension round.

The Berkeley, Calif.-based company said the funding would accelerate clinical development plans for its lead product, PLX204. Still in toxicology studies designed to support an investigational new drug application in the fourth quarter, the peroxisome proliferation-activated receptor (PPAR) pan-agonist compound is being developed for diabetes and related cardiovascular complications.

"Our investors have been tracking the company for some time and have seen us establish the platform from the get-go, not only with our internal programs, but also with partners," Kathleen Sereda Glaub, Plexxikon's president and chief financial officer, said. "And we're getting our  
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## Plexxikon

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very first homegrown product into the clinic later this year, so that's a major milestone to look forward to."

She said the funding would support operations through the end of next year. To date, the company has raised a total of \$55 million, with its Series B now worth \$46 million.

Plexxikon has begun kilogram-scale manufacturing of PLX204 in advance of beginning a Phase I/IIa trial to study the compound's use in treating Type II diabetes. To that end, the company has enlisted the services of diabetes and metabolic disease researcher Ronald Kahn. The president of Harvard's Joslin Diabetes Center in Boston, he was added to Plexxikon's scientific advisory board to help steer PLX204's development.

"He has over 20 years of experience working in the field and is very selective about who he's willing to work with," Glaub said. "He is quite excited about the program we're working on, believes it's quite novel and right on track with what we now understand about diabetes and its link with obesity and cardiovascular disease."

The small-molecule drug modulates the function of three related targets – PPAR alpha, delta and gamma – and is expected to lower glucose, triglycerides and free fatty acids, while increasing high-density lipoprotein. It is envisioned as a once-daily pill. To date, preclinical studies of PLX204 have shown that it performs all activities with a better side effect profile than marketed glitazone-class drugs that produce weight gain.

"I think most clinicians today believe that you can't just treat glucose levels, but you really need to treat other aspects that are perhaps the driving force behind diabetes," Glaub said, noting that since a variety of drugs are pre-

scribed to combat each factor, the potential for drug-drug interactions and compliance issues arises. "You need to be able to manage cholesterol levels, and levels of triglycerides and free fatty acids. That will potentially and theoretically delay the onset of diabetes, or potentially, and even more positively, prevent it."

In the diabetes market, PLX204 would compete against drugs such as Avandia (GlaxoSmithKline plc), a drug for lowering glucose also based on PPAR. Glaub said Plexxikon would seek a collaborative partner over the course of PLX204's development, as well as for other programs that stem from its Scaffold-Based Drug Discovery platform. The technology, which generates less dense compounds through a process that includes screening and co-crystallography to look at binding sites, produces results in a relatively quick period. For example, the company produced two different lead series in six months as part of a kinase target collaboration with Genentech Inc., of South San Francisco.

The platform has produced two other internal programs for Plexxikon, a PDE 4B selective inhibitor for chronic obstructive pulmonary disease and a c-Kit inhibitor for inflammation and oncology. Next year, the company expects to file an investigational new drug application for the latter program initially in rheumatoid arthritis. Glaub said it also might be evaluated for multiple sclerosis.

Two Tokyo-based backers are new to Plexxikon's investment team – Yamanouchi Ventures Corp., the venture arm of Yamanouchi Pharmaceutical Co. Ltd., and NIF Ventures. They joined existing investors Advanced Technology Ventures, of Boston; Alta Partners, of Embarcadero, Calif.; A.M. Pappas, of Research Triangle Park, N.C.; CW Ventures, of New York; GIMV, of Antwerp, Belgium; and Walden International, of San Francisco. ■