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Xencor Set To Spruce Up Pfizer Antibodies

In yet another sign of Big Pharma's keen interest in antibody development, Pfizer is going to be test-driving technology from privately-held Xencor to help its antibody candidates work better and last longer.

According to the deal, unveiled March 2, Pfizer will pay an undisclosed upfront fee and yearly maintenance fees for full research access to Xencor's antibody dependent cell cytotoxicity (ADCC) technology, which boosts potency, and its Xtend platform, which extends half-life.

Monrovia, Calif.-based Xencor, declined to comment on the length of the agreement, aside from saying that it is good for a "small number of years."

As part of the agreement, Pfizer also gains a commercial license to use the technology in one program and may opt in for other commercial deals later on.

"We granted Pfizer access for use throughout its organization, but only a limited number of options for commercial licenses," said Xencor President and CEO Bassil Dahiyat in an interview.

"So they get to pressure-test it and see where it goes, but the scope of commercial relationships is controlled," he added.

The announcement comes exactly one week after Xencor announced a similar licensing deal with CSL Limited of Victoria, Australia (¹["The Pink Sheet" March 2, 2009, p. 16](#)). Like the Pfizer agreement, that deal involved broad access for use of Xencor's ADCC technology, but it did not include half-life prolongation or commercialization rights.

Previously, Xencor inked an agreement with Human Genome Sciences of Rockville, Md., to enhance that company's antibodies.

Antibody assets hold wide appeal

Given that biogenerics are on the near horizon and antibody sales are going strong with 30 percent annual growth, interest in antibodies and technologies that improve antibodies is not hard to understand.

Genentech gained joint development and commercialization rights to Roche subsidiary GlycArt's humanized anti-CD20 monoclonal antibody GA101 for the potential treatment of hematological malignancies and other cancers last fall (²["The Pink Sheet DAILY," Oct. 3, 2008](#))

A few months later, GlaxoSmith Kline licensed antibody enhancement technology from BioWa, Kyowa Hakko Kirin's antibody engineering division.

M&A activity in the sector has been very active in recent years. Among other recently acquired start-ups are Domantis, purchased by GlaxoSmithKline, Adnexus (Bristol Myers-Squibb); Biorexis and CovX (Pfizer) and Haptogen (Wyeth).

In Dahiyat's view, the "world is waking up to the need for next-generation antibodies."

Xencor differentiates itself by its focus on re-engineering the constant and "mostly forgotten" crystallizable fragment part of the antibody molecule, which is responsible for communications with the immune system.

"We have re-engineered the Fc portion to greatly enhance how they [antibodies] recruit immune cells and their potency at killing

whatever they are binding to," he said.

Since Xencor is working with the constant portion of the molecule, the same technology platform could work for any antibody, with no need for re-engineering to suit a particular licensing deal.

Xencor remains single for now

As other technology companies have been acquired, Xencor, which has raised \$130 million in cash since a 1997 launch, has not yet been snapped up by Big Pharma. Dahiyat declined to speculate on the company's single status, but one possible explanation is that internal candidates are not validated yet.

Xencor's lead product is the antibody candidate XmAb 2513, in Phase I clinical trial for Hodgkin's lymphoma and anaplastic large cell lymphoma. The protein therapeutic drug candidate XPro 1595 is in late preclinical development for inflammatory disease.

"We have been busy developing our technology and getting it to the clinic. We think validation is important," said Dahiyat.

The executive also notes that the firm's recent deal-making activity shows strong interest, adding that two of its shareholders - MedImmune and Novo Nordisk - are signaling interest in "staying close to the technology."

Differentiating from biogenerics

President Barack Obama's interest in biogenerics as a means of saving healthcare costs could also work in Xencor's favor.

With a regulatory path for biogenerics on the near horizon, development of copies of biologics and also superior forms of biologics are major areas of interest and future development for Big Pharma (³["The Pink Sheet," Oct. 6, 2008, p. 17](#)).

Last month, Merck BioVentures purchased Insmed's four follow-on biologic programs, two of which have reached the clinic, plus a biologics process development laboratory in Boulder, Colo. for \$130 million (⁴["The Pink Sheet," Feb. 16, 2009, p. 15](#)).

As biogenerics start to surface and pose a competitive threat, technologies such as the one Xencor offers will offer a means of differentiation with products that are more potent and last longer.

"Ten years from now we will see all sorts of off-patent follow-ons, even in the U.S, for all the biotech drugs we all know and love now," Dahiyat said. "We will also have better versions of those drugs, new molecules with optimized technology that hit the same diseases and do it better."

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