CLOSER LOOK

MEMORANDUM

Allergan acquires Akarna Therapeutics and its lead compound AKN-083, a FXR agonist for NASH - September 29, 2016

Allergan just announced that it will acquire Akarna Therapeutics, a private biopharmaceutical company, in a $50 million deal. The biggest gain from this transaction is Akarna's lead compound, AKN-083, a potentially best-in-class preclinical farnesoid X receptor (FXR) agonist for the treatment of NASH. The acquisition also includes a portfolio of other FXR agonists at earlier stages of development. This news comes just days after Allergan announced its acquisition of Tobira Therapeutics and Tobira's portfolio of pipeline NASH compounds (including cenicriviroc [CVC], a CCR2/CCR5 inhibitor in phase 2, and evogliptin, a DPP-4 inhibitor in phase 1 as an add-on to CVC). Allergan's two recent and very complementary acquisitions signal the company's commitment to innovation in NASH, and constitute a strong vote of confidence in the market potential of NASH therapies. Allergan now houses some of the strongest contenders for this indication, and we look forward to tracking Allergan's portfolio as the candidates advance through clinical trials. Allergan's biggest rival in the FXR agonist arena will be Intercept's FXR agonist Ocaliva (obeticholic acid), currently recruiting for a phase 3 trial estimated to complete in October 2021. Although Intercept's candidate is more advanced, Allergan expressed confidence that its recently-acquired AKN-083 will prove to be an excellent candidate, given its superior affinity and selectivity in preclinical studies, as well as its better tolerability profile. We're glad to see Allergan committing significant investments toward the development of therapies for this area of very high unmet need - now, we'll have to see how they can execute (they didn't do particularly well in the related field of obesity, for what it's worth). For more, see our oft-updated NASH competitive landscape.

-- by Abigail Dove, Helen Gao, and Kelly Close