Allergan signs $3.3bn deal with Heptares

10th April 2016

Allergan has signed a $3.3-billion deal with Heptares for access to the UK-based group’s portfolio of experimental neurological therapies, as it sheds off disappointment from its failed $160-bn merger with Pfizer.

The Dublin, Ireland-headquartered firm has bought global rights to a portfolio of novel subtype-selective muscarinic receptor agonists in development for the treatment of major neurological disorders, including Alzheimer’s disease.

Under the deal, Heptares, a wholly-owned subsidiary of Sosei, will bank an upfront payment of $125 million from Allergan, and also stands to receive contingent milestone payments of up to around $665 million linked with clinical develop and launch of the first three licensed compounds for multiple indications, as well as $2.5 billion on achieving certain annual sales thresholds.

Allergan, which will also pay double-digit tiered royalties on net sales of all products resulting from the partnership, said it will stream up to $50 million into a research and development programme - to be conducted jointly by both parties - aimed at advancing multiple candidates through Phase II clinical studies.

“Cognitive impairment and psychosis are progressive and debilitating symptoms associated with many CNS diseases, including Alzheimer’s disease, with few approved therapies available,” noted David Nicholson, president, Global Brands R&D, at Allergan.

“The Heptares M1 compounds have shown promising results in early development in their ability to selectively target the M1 receptor without also activating the M2 or M3 receptors, which are associated with undesirable side effects,” he said, explaining the strategy behind the deal.

One such selective M1 agonist showing promise is HTL9936, the safety, tolerability and pharmacokinetic profile of which has been assessed in a recently completed Phase I study. According to Allgeran, the data “provide strong evidence of a therapeutic window for the selective M1 agonist mechanism in general, and for progression of HTL9936 and similar molecules as medicines to treat cognitive disorders”.

HTL9936 exhibited good brain penetration and M1 selectivity with no adverse events typically attributed to the stimulation of M2 and M3 receptors, as well as “robust and statistically significant changes in brain electrical activity” relevant to cognition, it said.

Allergan’s move closely follows the demise of its proposed merger with Pfizer, after the US introduced new measures to decrease the attractiveness of so-called ‘tax-inversion’ deals.