

Related Articles by Company

[Neuron Bio seeks investors to raise up to EUR 12m for two subsidiaries, CEO says](#)

Related Articles by Topic

[Neuron Bio seeks investors to raise up to EUR 12m for two subsidiaries, CEO says](#)

Published 2014-06-05

Proprietary Intelligence

VPD in due diligence with six big pharma to sell preclinical diabetes and obesity candidate by 1Q15 – CEO

Velocity Pharmaceutical Development (VPD) is in due diligence with six big pharma to sell its preclinical diabetes and obesity candidate VPD-107 by 1Q15, CEO David Collier said.

The San Francisco, California-based company will complete its preclinical package by 4Q14, at which point the discussions will likely progress, he said, noting the company is still open to partner interest.

The ideal candidate would be a large pharma company active in the diabetes and obesity space, as a large sales force would be required to market this candidate if successful, Collier said.

VPD-107 is an analogue of oxyntomodulin, a naturally occurring gut hormone which targets both the glucagon-like peptide-1 (GLP-1) receptor and the glucagon receptor to suppress appetite, Collier explained.

VPD is planning a preclinical exit because oxyntomodulin is a well-validated target and pharma companies have shown interest in the area, Collier said. Eli Lilly (NYSE: LLY) is currently running a Phase II trial (NCT02119819) for its once-weekly candidate oxyntomodulin analog LY2944876 in type 2 diabetes, according to ClinicalTrials.gov. Merck (NYSE:MRK) recently completed a Phase I trial (NCT01373450) which compared oxyntomodulin drug against Novo Nordisk's (CPH:NOVO-B) Victoza (liraglutide) in patients with diabetes mellitus, according to ClinicalTrials.gov.

The interested parties are large pharma companies who are already active in the diabetes and obesity space and are developing candidates for similar targets, Collier said.

Other companies developing candidates for obesity and diabetes include Bristol Myers Squibb (NYSE:BMJ), GlaxoSmithKline (LON:GSK), Takeda Pharmaceuticals (TYO:4502) and Sanofi (EPA:SAN).

Interested pharma firms have advised VPD on what animal POC data would be required to acquire the asset, Collier said, noting that VPD-107 is required to show good glycaemic control and significant and sustained weight loss without nausea. Companies have also asked VPD to develop VPD-107 into a once-daily subQ injection as well as once-weekly injection formulations, Collier added, noting current data from animal models shows VPD-107 works effectively once a day and that the weekly efficacy is "likely".

The company is looking for an outright sale of VPD-107 and its parent virtual company Spitfire, Collier said, noting that the deal structure is flexible but may be associated with upfront contingent payments and milestones. VPD has internal advisors and Collier declined to disclose the value sought from the sale.

VPD is currently funded by San Francisco, California-based CMEA Capital and would continue into a Phase I trial if a suitable deal is not reached by 1Q15, Collier said. Preclinical development has cost USD 3m, he noted.

The amount required for clinical studies depends on whether the Phase I trial would study efficacy as well as safety, Collier said, noting VPD is likely to assess some efficacy if it chooses to sell VPD-107 after Phase I. For a Phase I efficacy/safety study, VPD is likely to require USD 20m and therefore likely to open a Series B funding round in 2015 to raise funds, though further details as to investment required are undisclosed as a sale is the preferred and likely route, he added.

VPD-107 was in-licensed from San Diego, California-based EuMedaris Pharmaceuticals in 2013, Collier said.

by Jinan Harb in London

About [Jinan Harb](#)

Email the journalist team at editorialfeedback@biopharminsight.com

Company

[Bristol-Myers Squibb](#)

[Cmea Capital](#)

[Eli Lilly & Co.](#)

[Eumedaris Pharmaceuticals, Inc.](#)

[GlaxoSmithKline plc](#)

[Merck & Co., Inc.](#)

[Novo Nordisk A/S](#)

[Sanofi](#)

[Takeda Pharmaceutical Company Limited](#)

[Velocity Pharmaceutical Development](#)

Topic

Mergers and Acquisitions

Other

Other

Partnerships/Licensing

Sub-sectors

Drug development

Country

USA

Intelligence Grade

Confirmed

[Email Analyst](#)