

BioCentury

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EBB & FLOW

ORBIMED'S NASH TERNS

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Terns Pharmaceuticals Inc. brings a dual U.S.-China strategy and a diverse pipeline to OrbiMed's non-alcoholic steatohepatitis investment portfolio.

OrbiMed co-led the biotech's \$80 million series B on Oct. 30 with fellow new investor Vivo Capital. Decheng Capital, also a new investor, and existing investor Lilly Asia Ventures also participated.

"We were attracted by the cross-border organization of Terns," said OrbiMed's Carl Gordon.

Terns President and CEO Weidong Zhong said the company has a discovery unit in the San Francisco Bay Area and a clinical development team in Shanghai.

Gordon noted that Terns was one of a few companies with management teams that brought expertise in drug discovery and development in both China and the U.S.

Zhong was previously executive director and global head of antiviral research at Novartis Institutes for BioMedical Research (NIBR); SVP of Chemistry and Early Development Randy Halcomb was formerly director of medicinal chemistry at Gilead Sciences Inc. (NASDAQ:GILD); VP of Biology Martijn Fenaux was a group leader at NIBR; and Head of Terns China Biotechnology Eddy Wu was executive medical director of the China unit at Allergan plc (NYSE:AGN).

Since launching in 2017, Terns has acquired three NASH candidates from Eli Lilly and Co. (NYSE:LILLY) and has discovered several more.

The assets from Lilly are TERN-101 (LY2562175), a farnesoid X receptor (FXR; NRIH4) agonist; TERN-201, a semicarbazide-sensitive amine oxidase (SSAO; VAP-1) inhibitor; and a preclinical compound with an undisclosed target. In 1H19, Terns plans to start a Chinese Phase I trial of TERN-101 and parallel U.S. and Chinese Phase I trials of TERN-201.

Zhong declined to disclose the targets of Terns' internal NASH assets but said their targets are clinically validated and focus on different stages of the disease.

Gordon said, "We like the portfolio of assets that Terns has, which address different mechanisms."

Terns' internally discovered compounds are slated to enter the clinic by 2020, and the company plans to develop them in combination with TERN-101 and TERN-201.

Terns' NASH targets could also complement those of other NASH programs backed by OrbiMed.

OrbiMed was an early investor in NASH company Intercept Pharmaceuticals Inc. (NASDAQ:ICPT), leading its \$30 million series C in 2012. This year, the firm has invested in Enyo Pharma S.A., Galecto Biotech AB and 89Bio Ltd., which are all developing NASH therapies. 

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