

Emerging Company Profile

Dermira: Success is skin deep

By Michael Flanagan
Senior Writer

Founded by a management team with a history of growing and selling dermatology assets, **Dermira Inc.** has set off down a similar path with four molecules that originated at **QLT Inc.**

CEO Thomas Wiggins and CMO Eugene Bauer were both involved with Connetics Corp. and Peplin Inc. — a pair of dermatology companies that were taken out by larger players.

Bauer co-founded Connetics in 1993, and Wiggins served as CEO from 1994 until it was bought in 2006 for \$640 million by Stiefel Laboratories Inc., which is now part of **GlaxoSmithKline plc.** During that time, Connetics brought five dermatology products to market (see *BioCentury*, Oct. 30, 2006).

The pair reconnected at Peplin, which brought in Wiggins as CEO and Bauer as president and CMO in 2008. The company was acquired by **Leo Pharma A/S** for \$287.5 million in 2009 (see *BioCentury*, Feb. 8, 2010).

In 2010, with seed funding from Bay City Capital, Wiggins said Dermira began looking for assets for underserved skin disorders that his team could quickly move forward to value-creating inflection points.

Dermira was particularly interested in four programs being developed by former QLT employees at Valocor Therapeutics Inc. The most advanced, lemuteporfin (QLT0074), is a third-generation photosensitizer. QLT halted development for benign prostatic hyperplasia (BPH) in 2006 after it missed the primary endpoint in a Phase IIb trial, and halted development in acne in 2008 after an internal review showed the product did not meet an undisclosed therapeutic threshold in a Phase I/II trial.

Valocor licensed lemuteporfin and other dermatology programs in May 2010 after QLT refocused on ophthalmic indications.

Dermira Inc.

Redwood City, Calif.

Technology: Topical photodynamic therapy and small molecules

Disease focus: Dermatology

Clinical status: Preclinical

Founded: 2010 by Eugene Bauer, Chris Griffith, Luis Pena and Thomas Wiggins

University collaborators: University of British Columbia

Corporate partners: None

Number of employees: 12

Funds raised: \$42 million

Investors: Bay City Capital, New Enterprise Associates and Canaan Partners

CEO: Thomas Wiggins

Patents: 85 issued covering compositions of matter and methods of use of lemuteporfin in photodynamic therapy, plus other molecules and methods for treating a range of dermatological and inflammatory skin diseases

At that time, Valocor President and CEO Daniel Wattier told *BioCentury* the original formulation didn't deliver the compound to the sebaceous glands, whose excessive activity cause acne (see *BioCentury*, May 31, 2010).

QLT and Valocor then optimized the formulation. Wiggins said this involved "super-saturating it in a formulation that is lipophobic" so the molecule preferentially enters the sebaceous gland, where the environment is lipophilic relative to surrounding tissues.

Wiggins said the new topical formulation of lemuteporfin results in minimal off-target effects that have limited use of other drugs for moderate to severe acne, like isotretinoin. Doctors and patients are reluctant to use the oral retinoid due to safety

issues, including a teratogenicity concern that makes it contraindicated in women who are or may become pregnant.

"The other option is oral antibiotics, which raise questions of antibiotic resistance when taken for acne," Wiggins said.

In October, in conjunction with a \$42 million series A round, Dermira acquired Valocor for an undisclosed amount of cash and stock.

"Valocor had done a lot of quality work on the assets, but they had reached a point where what was needed was a larger management team and a more robust financing structure, which is what we were able to give them," said Wiggins.

This half, Dermira plans to begin a Canadian Phase I/II trial of lemuteporfin in healthy volunteers and patients with moderate to severe acne. The company also will be preparing an IND filing for a U.S. trial that will be designed based on data from the Canadian study.

Wiggins said the company's cash should be enough to generate Phase II data for lemuteporfin and human proof-of-concept data for at least one other program.

Dermira has three other products in preclinical development: DRM 01, a topical small molecule selective sebum biosynthesis inhibitor to treat acne; DRM 02, a topical small molecule integrin-linked kinase (ILK) inhibitor for inflammatory skin conditions; and an undisclosed program.

Wiggins said he expects it will be easy to acquire or in-license additional assets because consolidation in the dermatology space means Dermira is competing with fewer companies looking for assets.

COMPANIES AND INSTITUTIONS MENTIONED

Dermira Inc., Redwood City, Calif.

GlaxoSmithKline plc (LSE:GSK; NYSE:GSK), London, U.K.

Leo Pharma A/S, Ballerup, Denmark

QLT Inc. (TSX:QLT; NASDAQ:QLTI), Vancouver, B.C.

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