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# Allergan on acquisition spree, buys another NASH firm

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Allergan plc and Tobira Therapeutics, Inc. a clinical-stage biopharmaceutical company focused on developing and commercializing therapies for non-alcoholic steatohepatitis (NASH) and other liver diseases, has announced that they have entered into a definitive agreement under which Allergan will acquire Tobira for an upfront payment of $28.35 per share, in cash, and up to $49.84 per share in Contingent Value Rights (CVRs) that may be payable based on the successful completion of certain development, regulatory and commercial milestones, for a total potential consideration of up to $1.695 billion. The Boards of Directors of both companies have unanimously approved the transaction.

The acquisition adds Cenicriviroc (CVC) and Evogliptin, two differentiated, complementary development programs for the treatment of the multi-factorial elements of NASH, including inflammation, metabolic syndromes and fibrosis, to Allergan's global Gastroenterology R&D pipeline.

"The acquisition of Tobira is a strategic R&D investment within a white space area of our global Gastroenterology franchise and an opportunity to advance the development of novel treatments for NASH," said Brent Saunders, CEO and President of Allergan. "With the increasing rates of diabetes, obesity and other metabolic conditions in the U.S. and in developed nations globally, NASH is set to become one of the next epidemic-level chronic diseases we face as a society. It is important that we invest in new treatments today so that healthcare systems, providers and patients have treatment options to face this challenge in the coming years."

"With this acquisition, Allergan will now have one of the strongest portfolios of development stage programs for the treatment of NASH, with Cenicriviroc as the cornerstone. We will continue to look for differentiated development-stage assets that can bolster this position and enhance our commitment to innovation in this disease," added Saunders.

Cenicriviroc (CVC) is a first-in-class, once-daily, oral Phase 3 ready potent immunomodulator that blocks two chemokine receptors, CCR2 and CCR5, which are involved in the inflammatory and fibrogenic pathways in NASH that cause liver

damage and often lead to cirrhosis, liver cancer or liver failure. In the Phase 2b CENTAUR study, CVC demonstrated a clinically and statistically significant improvement in fibrosis of at least one stage without worsening of NASH, one of two key secondary endpoints, after one year of treatment.

The acquisition also adds Evogliptin, an oral DPP-4 (Dipeptidyl peptidase-4) inhibitor for the potential treatment of NASH. Evogliptin is being studied in a Phase 1 trial assessing the safety, tolerability and steady-state pharmacokinetic parameters of the compound when administered with and without CVC. In NASH, increased DPP-4 serum levels and hepatic DPP-4 expression is correlated with disease severity.

"Both the CVC and Evogliptin programs provide highly differentiated compounds that can make a significant impact in the treatment of NASH, where today there are no approved therapies available for patients," said David Nicholson, Chief Research & Development Officer, Allergan. "Importantly, NASH treatment may well require a multi-therapeutic approach to address the multiple factors of the disease. CVC has been shown in clinical trials to provide significant improvement in liver fibrosis, the hallmark of NASH. Liver fibrosis is associated with key long-term outcomes, including overall mortality, liver transplantation and liver-related events. Evogliptin, in preclinical models, has been shown to decrease hepatic glucose production, improve hepatic triglyceride content and steatosis, and reduce histologic markers of inflammation of the liver. Together, these programs provide a highly complementary potential therapeutic approach to address the inflammatory, metabolic and fibrotic elements of NASH that the medical community will need to treat this condition."

"I am extremely excited to see Tobira and Allergan come together," said Laurent Fischer, M.D., Chief Executive Officer, Tobira Therapeutics. "The combination of our team's innovation in the NASH space and the infrastructure, development expertise and world-class ability of Allergan to market medicines will enable us to more rapidly develop and commercialize needed medications for patients suffering from NASH and other serious fibrotic diseases around the world."

"We are delighted that cenicriviroc will be rapidly advancing into Phase 3 studies under the stewardship of Allergan, an industry leader with world class capabilities in advancing novel treatment options to patients across the globe, and I look forward to the future success of this partnership," added Dennis Podlesak, Chairman of the Board of Tobira.

Covington & Burling LLP is serving as Allergan's lead legal counsel. Centerview Partners and Citi are serving as financial advisors to Tobira and Skadden, Arps, Slate, Meagher & Flom LLP and Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP are serving as Tobira's legal counsel.