



The Economics of Obesity:

GLP1-agonists *Wunderdrugs*, Oncology's *Chip-To-Bedside* BioPharma & Investing In Next-Gen. Genomics

BioPharma

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For the first time since the mid-1960's, working persons from the North American *Battery Belt* to the *Steel Foundries of Inner Mongolia* are receiving increasingly affordable access to *Tier-Three wunderdrugs*, that were previously and exclusively available only to the affluent and premium insured.

The rise of a new class of drugs that target obesity as a chronic disease – known as GLP1-agonists, the prescient *goto* weight management treatment globally – holds the potential to generate **US\$30 to 50 billion in sales** for select drugmakers over the next decade, leaning on advances emerging out of bio-pharmacological technologies and contemporary lessons learnt in the *evolving understandings of cancer genomics*.

Cite:- [Oncology In The Age Of COVID: Cancer Treatments Get Highly Specialised & Drive Innovative Investment Solutions](#), 10 March 2021

Cite:- [Late-Cycle Opportunities In New Cancer Treatment](#), 12 October 2019

Watch:- [Australian Standfirst Guests, Solveig Walking \(Australian Standfirst\) & Stephanie Clerc \(One Health\) discussing international health programmes at Australian Standfirst's Skunkworks Infinity Black Digital Studio](#), 24 March 2019

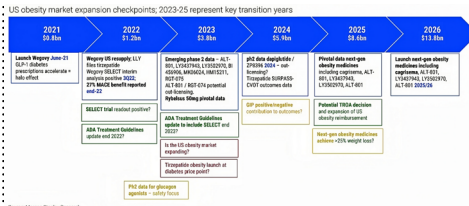
Watch:- [Australian Standfirst Guests, Alec Margolin \(Australian Standfirst\) & Paul Hopper \(Imugene Limited\) discussing Australian biotechnology at Australian Standfirst's Skunkworks Infinity Black Digital Studio](#), 11 February 2019

Some of the key drugs in the bellwether US obesity market are [Saxenda \(Liraglutide\)](#), [Victoza \(Off-label Liraglutide\)](#), [Liraglutide biosimilar](#), [Wegovy \(Semaglutide\)](#), [Ozempic \(Off-label Semaglutide\)](#), [NN-9932 \(oral Semaglutide\)](#), [Imcivree \(Setmelanotide\)](#), [Setmelanotide hydrochloride ER](#), [Xenical \(Orlistat\)](#), [Osymia \(Phentermine + Topiramate\)](#) and generics.

In 2021, the market-leading drug was [Novo Nordisk's \[NOVO:DC\] Ozempic](#), which is marketed for type-2 diabetes but in reality prescribed off-label for obesity; it was followed by [Novo Nordisk's Wegovy](#) and off-label [Victoza](#), which remain the market dominant GLP1's in 2023.

Growth in the obesity market will be driven by the launch of thirteen new pipeline products, including [Novo Nordisk's CagriSema \(Semaglutide + Cagrilintide\)](#), [Eli Lilly's \[LLY:US\] Tirzepatide](#), [Retatrutide](#) and [Orforglipron](#), [Versanis Bio's Bimagrumb \(BYM338\)](#) and [Pfizer's \[PFE:US\] PF-07081532](#) and [Danuglipron Tromethamine](#).

After the [Sino-American biomedical bifurcation](#) seen following the [Global Corona Crisis, or GCC](#), innovators across Israel, Europe, China and North America are now racing to commercialise GLP1-agonists whilst bringing the *economies of scale* to bear on the *elasticity* of current off-label pricing regimes across the



Northern and Southern hemispheres.

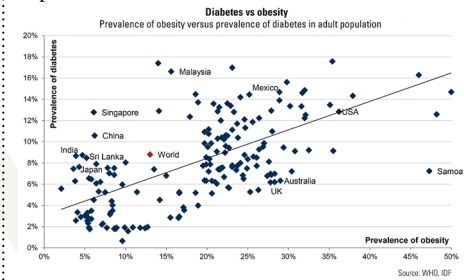
Cite:- [Picking Winners Not An Exact Science](#), 20 September 2014

Listen:- [Australian Standfirst Investment Committee Member, Eran Reinisch \(Founder of Israeli Multi-Family Office, Excaliber Capital\) & Kwame Owusu \(Australian Standfirst\) discussing Global Family Office Investment Management in 2020 recorded at Australian Standfirst's Infinity Black Digital Studio](#), 30 March 2020

Cite:- [Stress-testing The Bull Case For Israeli Tech In Australian Global Portfolios](#), 3 February 2021

The weight management treatment industry across North America was valued at US\$2.43 billion in 2021 and is expected to achieve a **CAGR** of more than thirty-one percent during 2023-2031 and whilst the US is anticipated to account for more than three-quarters of the global market which is mainly attributable to its large population, higher drug prices and consistently high treatment rates, Chinese technocrats – whom are forever mindful that the **PRC's middle classes are becoming more affluent** and less physically active – are speedily clearing the path for Chinese demonyms to commercialise facsimiles with the upcoming patent expiry of Semaglutide globally.

Generics place elastic pricing pressures which work to the advantage of Sino BioPharma's; similar to other branded drugs, patent expiry of Saxenda (Liraglutide) and Wegovy (Semaglutide) could lead to increased pricing pressure; for example, in China, patents of Liraglutide expired in 2017 and Semaglutide's patents are expected to expire in 2026.



China's domestic obesity drug market is expected to reach Rénmínbí 25-35 billion (US\$3.5-4.8 billion) in the next decade, given firstly, the growing overweight population (from 450 million persons in 2012 to potentially over 800 million by 2033) as well as aesthetic demand, the GLP1 class's robust efficacy and generally tolerable safety and the improving medical access for weight management in China, with multiple branded products and generics to [addressing patient groups with diverse price sensitivities](#).

Cite:- [Anticipating China's Second COVID-19 Wave](#), 29 March 2020

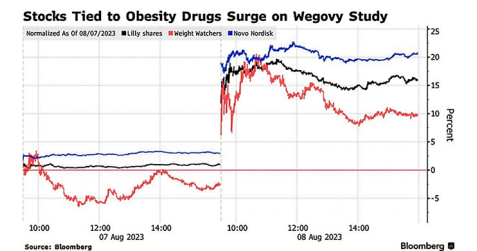
Cite:- [China Plans New Path To Prosperity](#), 31 October 2015

The long-term effects of these wunderdrugs must be carefully studied, however, the excitement is justified.

The new class of drugs seems actually to work and Semaglutide, in particular, has been shown in clinical trials to lead to weight loss of about fifteen percent, with some medical pundits thinking they could become as common as beta blockers or statins.

The drugs could not have arrived at a better time; **in 2020 two-fifths of the world's population were overweight or obese; by 2035, says the World Obesity Federation, an NGO**, that figure could ratchet up to more than half, with a staggering four billion people overweight or obese and the populations putting on kilograms the fastest are not in the rich West but in countries like Egypt, Mexico and Saudi Arabia.

These trends are alarming because obesity causes a host of health problems, including diabetes, heart disease and high blood pressure, as well as dozens of illnesses such as stroke, gout and various cancers.



Global investors funding next-generation genomics brought on this unexpected sea change, [as chronicled in a seminal 2016 peer reviewed study](#), many of the therapeutic peptides previously championed for obesity management suffered from short plasma half-lives and as a consequence, required frequent injections to be therapeutically effective; this in turn adversely affected patient compliance but with the advent of Glucagon-like Peptide-1's (GLP1's) in the early 2010's, a novel peptide engineering strategy that incorporates a serum protein binding motif onto a covalent side-chain staple was developed and applied to the peptide to enhance its *helicity*.

Cite:- [Biotech & Life Sciences](#), 25 July 2018
Cite:- [Healthcare Sector May Not Be So Healthy For Investors As Global Risks Loom](#), 9 August 2017

This had the [significant consequence of enhancing potency, serum half-life and this approach provided a straightforward platform for generating stapled long-acting peptide hormones for a range of therapeutic applications](#) (which today aides weight management but will likely be grandfathered back into Oncology bio-engineering).

Overall, given the magnitude of the weight loss and now cardiovascular benefits of GLP1's, ripple effects will become [increasingly evident across several other parts of the BioPharma sub-sector](#) and for the proactive global investor, this presents significant investable opportunities. ■

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