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Sequel company Bonum emerges in wake of Roche's Good Tx acquisition

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Roche's $250 million acquisition of one of Good Tx's five conditionally activated cytokine programs will consolidate the pharma's cancer immunotherapy strategy whilst leaving the biotech free to develop its platform technology in a new company, Bonum, which is working on raising a series A.

Announced Wednesday, Roche (SIX:ROG; OTCQX:RHHBY) is paying $250 million upfront for rights to the PD-1-regulated IL-2 program from Good Therapeutics Inc., and an exclusive right to the biotech's platform technology for the development of additional PD-1-regulated IL-2 receptor agonists. Good Tx is also eligible for milestone payments under the deal, which is expected to close in 3Q22.

The acquisition gives new company Bonum Therapeutics Inc. a chance to further develop the platform. Good Tx founder and CEO John Mulligan told BioCentury that the company's team and investor syndicate had moved over to the newco, which has already raised a $3 million bridge financing and is planning a series A.

He added that the deal was structured to allow Good Tx's shareholders to extract value from the company's platform without having to relinquish ownership in it.

"It's one of biotech's big problems," said Mulligan. "You create your first program, now 90% of the value is the program, and it's hard to support the platform technology. Our strategy was to separate that off and get value from the programs without giving away the platform."

TeneoBio Inc. did something similar, he said. Amgen Inc. (NASDAQ:AMGN) acquired that company in 2021 for $900 million up front in a deal that excluded three pipeline programs each spun out into separate entities ahead of the acquisition. One of those subsequently sold to AbbVie Inc. (NYSE:ABBV) and another to AstraZeneca plc (LSE:AZN; NASDAQ:AZN) for $400 million and $100 million, respectively.

Good Tx's PD-1-regulated IL-2 program is one of many approaches to isolate and enhance IL-2's stimulatory effect on antitumor immune cells through improved targeting.

Recombinant IL-2 has been used as a cancer immunotherapy since long before the development of checkpoint inhibitors, but the cytokine's utility is limited because the inflammation it induces can cause toxic vascular leakage and the activation of immunosuppressive regulatory T (Treg) cells, undermining its own efficacy.

Good Tx's approach is to develop molecules comprising a linker joining sensory and therapeutic components — in the case of the PD-1-regulated IL-2 program, an antibody directed against PD-1 and IL-2, the latter of which is only activated once the PD-1 sensory moiety has bound.

The idea is to release the brakes on the immune system by inhibiting PD-1 while stepping on the gas via IL-2 activation that's precisely targeted.

"The core technology for the company is a way of making proteins that regulate their own activity," Mulligan said. "It's like allostery, where proteins change shape between an active and inactive conformation in response to a signal."

Mulligan said the company is not disclosing exactly how the PD-1-sensing moiety regulates IL-2, but noted that a key advantage of the technology is that "all the parts are standard — antibodies, linkers and protein therapeutics."

The piecing together of standard parts enabled Good Tx to screen large numbers of molecules, he said. "The first molecule to show regulation was the 2,743rd molecule that we made and tested. Roche is getting 6,000-7,000 molecules."

With the PD-1-regulated program now in the hands of Roche, Bonum will focus on its PD-L1-regulated IFNα, CEA-regulated IFNα, LRRC15-regulated TGF-β and ATP-regulated IFNα programs, all of which are at either the discovery or lead optimization stage of development.

Development of the PD-1 program was prioritized because of the well-established efficacy of antibodies against the target. "You don't want to do too many new things in any single invention," Mulligan said. "We're not trying to be novel about the biology, we're trying to be novel about the ability to combine these things together."

The PD-1 program sold first "because it was the most advanced, and because Roche has experience putting immunocytokines into the clinic," he said.

Roche declined BioCentury's request for an interview, but Head of Oncology, Pharma Partnering Patrick Schleck said in an email that the PD-1-regulated IL-2 program would form a "critical" component of the company's cancer immunotherapy strategy and that it "may become the new backbone" for checkpoint inhibitor-based therapies, including combination therapies.

The pharma is also developing RG6279, a fusion of an IL-2 variant that does not bind IL2RA and an anti-PD-1 mAb. RG6279 is in Phase I testing, and Roche reported preclinical data from the therapy at AACR.

Schleck did not disclose development timelines or specific indications that the company planned to pursue.

Mulligan suggested that the "obvious starting point" for the pharma would be tumor types that respond to checkpoint inhibitors.

"Checkpoint inhibitors are fantastic drugs," he said, "but they only work on 30-50% of patients who get them and some of those subsequently progress. The hope is that by adding this extra piece, it will expand the population that responds."

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