BioWorld™
The news source of record covering the development of innovative human therapies for 30 years

Clarivate™

September 7, 2022
Volume 33, No. 171
Special Reprint

Bonum to continue Good work after $250M cash acquisition deal with Roche

By Jennifer Boggs, Managing Editor

For privately held Good Therapeutics Inc., founded in 2016 with a platform technology for developing context-dependent therapeutics, the plan had always been to seek a buyer for the first asset to emerge. One came along a little earlier than expected, as Roche Holding AG entered a merger agreement for Good, picking up preclinical-stage PD-1-regulated IL-2 program, in exchange for an up-front cash payment of $250 million.

John Mulligan, CEO, Good Therapeutics

Good's original plan had sought to carry the program through phase I, "but there was such strong interest in the asset at this stage," founder and CEO John Mulligan told *BioWorld*. Roche previously had invested in Good through its venture fund and about a year ago started discussing a deal.

In addition to the lead program, Basel, Switzerland-based Roche also gains an exclusive right to the platform for development of PD-1-regulated IL-2 receptor agonist therapeutics. The big pharma could make additional payments on the achievement of predetermined development, regulatory and commercial milestones.

The aim of the PD-1-regulated IL-2 molecule is to specifically direct IL-2 activity to immune cells without affecting non-target cells. While checkpoint inhibitors such as Merck & Co. Inc.'s Keytruda (pembrolizumab) or Roche's own Tecentriq (atezolizumab) have proved effective in harnessing the immune system to attack tumor cells, many patients still fail to respond to therapy. That has led to the testing of multiple combination treatments, which enhance efficacy but also raise toxicity issues.

IL-2, meanwhile, has emerged as a promising cytokine, known to promote growth and differentiation of activated T cells and natural killer cells. "It's known to be extremely potent, but the systemic effects are deleterious, leaving a very little therapeutic window," Mulligan said.

Good's approach is designed to deliver protein drugs that are only active when bound to a target molecule, thereby localizing delivery while boosting efficacy and limiting toxicity. It involves a sensor component, an antibody binding domain – in this case directed against PD-1 – that is combined with a therapeutic component such as IL-2.

The key is that the therapeutic component only becomes active once the sensor component has bound its target.

Roche already has been investigating the potential of PD-1/IL-2 in cancer, with RO-7284755, a PD-1-targeted IL-2 variant antibody fusion protein it has tested in phase I as a monotherapy and in combination with Tecentriq in patients with advanced solid tumors.

Mulligan noted Roche's "long-term commitment for IL-2 [and] their knowledge of how PD-1 and IL-2 can work together."

"We as a team are really excited by the fact that Roche is going to take this molecule forward," he said, adding that the big pharma resources could accelerate its potential impact in actual patients. "That's why people get into biotech."

Mulligan, who started Good with Karl Handelsman at Codon Capital, the two working in the lab for two and a half years to test the concept design of conditionally active molecules, acknowledged there's "a little bit of sadness" for the Good team that it won't be able to advance the PD-1/IL-2 program on its own. "But I think it's better for the program and for the company at this stage," he added. "We have half a dozen other programs that we're just as excited about."

'A great place to start'

Along with finding the right partner to advance the PD-1/IL-2 program, the team at Seattle-based Good had another critical requirement: retaining ownership of the technology platform. Upon the close of the Roche deal, expected in the third quarter of 2022, the platform will move into a new company, the aptly named Bonum Therapeutics Inc. ("Bonum" is a Latin word meaning "good.")

"We set up two parallel companies," Mulligan explained, with Bonum originally holding the core intellectual property while Good served as the operating company. With Roche's acquisition of Good, the management, scientists and all company infrastructure, become part of Bonum.

"We're now ready to move forward there, with other cytokine programs poised to start," he said. "We have a great team, good investors, so it's a great place to start a company."

Bonum, which is planning a series A financing in the fourth quarter – in the $90 million to $100 million range, Mulligan said

Continues on next page

Continued from previous page

– will focus internally on a "relatively narrow list of cytokines." Besides IL-2, its early stage work has investigated IL-12 and interferon-alpha.

"Our aim is to have a candidate in 12 to 24 months," he said.

Given the broad appeal of the technology, which could have applications beyond cancer in areas such as autoimmune disease and pain management, Bonum will be open to further partnerships in the forms of licensing deals or options to license.

"That allows us to take some side bets outside of oncology," Mulligan said.

To date, the company, staffed by a team of 26, has raised $600,000 in a seed round followed by $22 million in series A funding backed by Codon Capital, Rivervest Venture Partners, 3x5 Partners, Roche Venture Fund and Digitalis Ventures.

In short, Mulligan said, "we went from an idea on a napkin to this deal with Roche on about $30 million."