

Good Therapeutics sells PD-1 IL-2 program to Roche for \$250M and will march on with a similar name, but in Latin

by Kyle LaHucik on September 7th, 2022



There's Just, and there's Good.

The first was sold in summer 2019. And the PD-1 IL-2 portion of the latter is now entering the fold of Roche.

The two biotechs aren't related, but Good Therapeutics founder and CEO John Mulligan "liked the idea of having Good and Just in Seattle," calling his startup's moniker a "riff" on the Evotec-acquired Just Biotherapeutics.

[Germany's Evotec expands into biologics with up to \\$90M deal for Seattle's Just Biotherapeutics](#)
And now Mulligan, after several years of dialogue with Roche and about 12 months of "serious discussions" around M&A, is selling Good Therapeutics' IL-2 program to the Swiss Big Pharma for

\$250 million in upfront cash deal. More capital could flow Good's way in the form of development, regulatory and commercial biobucks. The deal is slated to close this quarter, pending merger clearances.

The biotech got its start in 2016, raised seed funding from a few investors, secured [\\$22 million in Series A](#) financing and spent years going after the idea that allosteric regulation could be applied to protein therapeutics, in which proteins switch from active to inactive "in response to binding," Mulligan told *Endpoints News* ahead of the Wednesday morning M&A news.

"The idea was that this is something you see all over the place in nature — many regulatory systems involve these sort of allosteric mechanisms which have never been applied to drug development before," Mulligan said.

Allosteric modulators have been part of drug development for years, including GABA-positive allosteric modulators such as benzodiazepines. Other biopharmas have spent years in the allosteric field, including [Cyclerion](#), Nimbus, [HotSpot](#), [Black Diamond](#), Novartis, Revolution Medicines and others.

Mulligan originally thought it would take a Phase I proof-of-concept study to convince a partner to swoop up the program, Mulligan said. But that changed over the course of developing the program, the CEO said, noting "the interest was so strong that we started broadening our discussions."



Patrick Schleck

Roche's head of oncology pharma partnering, Patrick Schleck, told *Endpoints* in an emailed statement that Good's receptor agonist "will complement our already existing internal work and further catalyze

our efforts to bring PD1-regulated IL2 to the broadest set of patients.”

Other Big Pharmas have also tried to do IL-2, but Bristol Myers Squibb’s big Nektar collab — which combines an IL-2 with its PD-1 drug — was recently nixed. BMS axed its \$3.6 billion tie-up with Nektar in April after initially wanting to go after 20 indications and nine tumor types but negative late-stage readouts hampered those ambitions.

[Hit by 2 more flops, Bristol Myers and Nektar wind down IL-2/PD-1 program at the center of \\$3.6B deal](#)

Schleck called the acquisition “the most optimal deal structure for both parties,” noting the program is in the early stages. The Roche leader declined to say when clinical trials of the Good program would commence.

“Basically what you have is a checkpoint antibody that brings along a supercharger that causes expansion of that or stimulates the same population of cells that are targeted by checkpoint,” Mulligan explained. “So our idea is that this may become a backbone for checkpoint inhibitor-based therapy — something that does what checkpoint does but adds a new function.”

Roche is picking up the PD-1 IL-2 program, but the staff, management, lab lease and other operations have all been packaged into a new company, called Bonum Therapeutics. The name is all too familiar — Bonum is Latin for good, Mulligan noted.

In terms of the name, “Good wasn’t really good enough” for some of the investors, Mulligan said.

Going forward, Bonum, which has 26 employees, will enter new preclinical work before year’s end, the CEO said. The new biotech has half a dozen projects across IL-12, interferon alpha, TGF beta and others. Backing the somewhat new startup is Good’s slate of investors: Codon Capital, RiverVest Venture Partners, 3x5 Partners, Roche Venture Fund and Digitalis Ventures.

Bonum will raise a Series A later this year, likely with “one more investor,” which will “become the toehold into the next round of more crossover-type investors,” the CEO said.

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