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# Laevoroc Oncology Launches With Three-Pronged Strategy

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By William Masters

**FOLLOWING EARLY INVESTOR CONVERSATIONS, LAEVOROC ONCOLOGY has split its leading products into three independent subsidiaries to off-set risk and provide greater choice to future partners. While there is no underlying platform technology, CEO Thomas Mehrling believes the subsidiaries all include potential "game-changing medicines."**

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Zug, Switzerland-based Laevoroc Oncology is pursuing an unusual start-up structure, having established three independent subsidiaries, each containing an oncology asset. While Laevoroc Oncology has a controlling stake in each subsidiary, the groups can make independent financing and licensing agreements.

In Vivo spoke with co-founder and CEO Thomas Mehrling about the new company's overall strategy, including

future financing and potential divestment plans. Mehrling has decades of experience in oncology and is the former CEO of oncology focused Mundipharma EDO, part of the wider Mundipharma International Limited network.

The idea of splitting Laevoroc's assets between three subsidiaries came from early discussions with investors. The aim is to "try to address different levels of interest and particularly investment strategy, and [to] be as flexible as possible," said Mehrling. The CEO stated that while the biotech does not have an underlying platform technology, "within their field of use ... we do have game-changing medicines."

## Laevoroc's Three Arms

| Subsidiary | Candidate | Indication(s) |
|---|---|---|
| Laevoroc Chemotherapy | LR 06 | A patented oral gemcitabine prodrug for maintenance therapy in pancreatic, ovarian and breast cancers |
| Laevoroc Immunology | LR 09 | A PNP inhibitor targeting relapsed leukemia after allogeneic stem cell transplantation |
| Laevoroc Neuro-Oncology | LR 02 | An ATR inhibitor targeting brain cancers |

The company has very low overhead costs, Mehrling told In Vivo, partly due to it operating as an entirely virtual company – though this will change as the team expands and office space is required. The biotech aims to complete series A funding rounds for each of the subsidiaries within six months, following on from initial $1.1m seed funding that the CEO said would be enough to run the company through to next year. Mehrling expects to see all three major assets in the clinic by 2022, with neuro-oncology likely to be the last in.

The company describes its structure as 'asset-centric' and shares some features with recently launched Centessa Pharmaceuticals Ltd., which uses the same terminology to describe its R&D approach. While both companies use a subsidiary structure to mitigate risk to the overall group, the big difference is that Laevoroc has one central management team, while Centessa emphasizes the autonomy of each biotech that operates under its umbrella. Unlike Centessa, Laevoroc also has a clear central focus around its neuro-oncology business, with the other subsidiaries acting as risk-mitigators. (Also see "Centessa 'Creates Pharma Pipeline Overnight' Using Novel R&D Approach" - In Vivo, 3 Mar, 2021.)

## Spreading The Risk

Laevoroc Chemotherapy will be advancing LR 06, a patented oral formulation of chemotherapy drug gemcitabine, for maintenance therapy in pancreatic, ovarian and breast cancers. The subsidiary is developing this oral prodrug form of the important chemotherapy to provide a therapy which lowers the burden on health care systems and on patients. The goal is "to give patients an at home therapy where people can take a pill every second day and don't need to travel to hospitals," said Mehrling.

Laevoroc Immunology is tackling leukemia, an area which Mehrling said is close to his heart. The subsidiary is progressing LR 09, which the company describes as a "highly potent and selective" PNP inhibitor. The therapy is targeted towards patients who have relapsed after an allogeneic stem cell transplant, after which "patients have no real option," said the CEO. "This drug, as a single agent, directs the donor immune system to combat the leukemia of the patient," he said, the idea being to create a new treatment which could become the standard of care in this setting.

Laevoroc Neuro-Oncology is the long-term focus of the group, which has the aim of developing a broad pipeline addressing brain cancers. The subsidiary is progressing LR 02, an ATR inhibitor with "outstanding" CNS penetration, the company said. It is "one of the best CNS penetrating compounds I have ever seen," said Mehrling, claiming that it can reach a therapeutic concentration just two hours after oral administration.

"Brain cancer is one of these areas where not even checkpoint inhibitors [have had an impact] ... It's like a desert in a way," he said, noting that the biggest obstacle is getting a therapy to cross the blood-brain-barrier. Laevoroc's subsidiary structure is an acknowledgement of the higher risk and longer development times associated with brain cancer treatments, with the company's other assets allowing investors to off-set this risk.

"The other assets are available for partnering and divesting much earlier, say 2025 or 2026," Mehrling said, "The core of the company is our interest in neuro-oncology."

## A View On Biotech Today

Mehrling shared his thoughts on wider industry trends, with his extensive experience in big pharma and now biotech giving him a broad perspective. He is encouraged by the growing innovation and clout of the latter, pointing to the way that Moderna, Inc. and BioNTech SE have displaced vaccine giants Sanofi and GlaxoSmithKline plc in a space "that is now the domain of start-ups."

The CEO is not overly concerned for the future of the larger players, however. "Certainly, big pharma is robust enough ... They do have the money to acquire and collaborate," he said, pointing to the growth in

partnerships as a bright spot in the COVID-19 pandemic. "BioNTech would never have been able to manage that work without a huge partner like Pfizer," he said.

Mehrling also brought up the ongoing US patent debate, arguing that the US endorsement of loosening certain patents during the pandemic has the potential to hit the likes of Moderna and BioNTech hard, while "the impact on Pfizer is going to be minimal."

The US government's 5 May declaration of support for waiving intellectual property protections for COVID-19 vaccines at the World Trade Organization has been seen as a significant setback for pharmaceutical manufacturers, giving rise to fears of a slippery slope towards further erosion of intellectual property rights. There are however several steps that still need to happen before a waiver is granted, and industry will likely have opportunities to influence the process each step of the way. (Also see "US COVID Vaccine Patent Waiver Is Big, Symbolic Blow For Pharma, But The Fight Is Just Beginning" - Pink Sheet, 5 May, 2021.)