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September 26, 2017 | News

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Pfizer has recently announced that it is spinning out a new company, SpringWorks Therapeutics, to develop several drugs for rare diseases that the drug giant did not want to move forward internally. The new firm will be funded with \$103 million from Pfizer, Bain Capital Life Sciences, Bain Capital Double Impact, Orbimed and LifeArc.

"We're left with some compounds that we think have great promise for patients but are not necessarily core," Freda Lewis-Hall, executive vice president and chief medical officer at Pfizer, said in an interview.

"We originally conceived of this as kind of a new and innovative way for us to advance the investigational therapies that we thought hold significant promise for underserved populations."

Over the past decade, many Pfizer drugs have found success outside the company. Puma Biotechnology sports a \$3.89 billion market capitalization thanks to breast cancer drug Nerlynx, originally a Pfizer compound. Esperion, a developer of heart drugs bought by Pfizer and spun out again, has a \$1.27 billion market cap. Durata Therapeutics, bought by Actavis in 2014 for \$675 million, was also based upon Pfizer drugs. "Pfizer perhaps has learned from the fact that it's had a lot of compounds on its shelf that others capitalized on," says John LaMattina, senior partner at PureTech Ventures and former head of R&D at Pfizer.

Nor is Pfizer the first drug giant to spin out a smaller drug company and collect funds from venture capitalists. In June, Johnson & Johnson did this with a company called Provention Bio, which raised \$28.4 million. But the deal "is the biggest one of these that we've seen," says David Grainger, partner at Medicxi Ventures. Grainger and LaMattina are Forbes contributors.

SpringWorks founder and president Lara Sullivan and Lewis-Hall worked on the idea for the new company for the past two and a half years, at first after hours from Sullivan's work as a vice president at Pfizer managing compounds in the research pipeline through phase 2 trials.

The two saw some compounds in the company's portfolio that showed promise in rare diseases or for underserved patient populations and thought "a more partnered development paradigm and channel would be optimal to help those compounds go forward more quickly," Sullivan said in an interview. Springworks is starting out with four compounds licensed from Pfizer, half of them poised for phase 3 trials.

One of the compounds, the Gardos channel inhibitor senicapoc, previously failed to meet efficacy hurdles in a phase 3 trial for sickle cell anemia. SpringWorks plans to test senicapoc in hereditary xerocytosis, a rare genetic form of anemia in which red blood cells become dehydrated, causing a range of symptoms including jaundice, tiredness, an enlarged spleen and gallstones.

SpringWorks has plans to start phase 3 trials for nirogacestat, a gamma-secretase inhibitor Pfizer had been developing for breast cancer, in patients with noncancerous connective tissue growths called desmoid tumors.

Also ready for phase 3 is a MEK inhibitor for neurofibromatosis type 1, a genetic disorder in which noncancerous tumors grow next to nerves.

SpringWorks' final compound is a FAAH inhibitor it plans to test in post-traumatic stress disorder. Pfizer was developing the compound for pain when a phase 1 trial of another FAAH inhibitor from the Portuguese pharma company Bial caused brain death in one patient and neurological damage in others. The FDA reviewed data on the FAAH inhibitor SpringWorks now has, Sullivan said, and said they can proceed.

"The common denominator is that these four programs all serve patient groups that have particular needs that have not been satisfied by current therapies," Sullivan says.