

## Cut-price drug venture takes aim at Pfizer and AstraZeneca



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### **EQRX has closed two early-stage licensing deals to bring in small molecules that it hopes will shake up oncology pricing.**

In the often cosy world of patented drug development all-out price wars are rare. Yet working on similarly acting versions of some of biopharma's most expensive treatments, and then launching them at a discount, is precisely the aim of EQRX, a private biotech founded in January.

Yesterday the company trained its guns on the first targets of this strategy: Pfizer's CDK4/6 inhibitor Ibrance for breast cancer, and AstraZeneca's EGFR-targeting lung cancer drug Tagrisso. To this end EQRX has licensed two early-stage projects with the same mechanisms: G1's lerociclib and Jiangsu Hansoh's almonertinib respectively.

Still, the leaders should probably not panic just yet. It will take EQRX years to develop its assets, and the fast-follower plan depends on stellar clinical data; without a big-hitting sales machine behind it EQRX will have little chance of dislodging the entrenched products, even with a cut-price approach.

#### **Lerociclib**

The lerociclib deal has cost EQRX \$20m on signing, and gives the company rights to the CDK4/6 inhibitor globally including Japan, but excluding the rest of the Asia-Pacific region, where G1 earlier struck a deal with Genor Biopharma.

Lerociclib is one of G1's two CDK4/6 inhibitors, so it might at first seem strange that the originator is willing to cut its own throat with the threat of discounted pricing. But [G1 has positioned the other project, trilaciclib, in a niche of its own](#), to make chemotherapy more tolerable by reducing myelosuppression, so it faces little immediate threat.

EQRX aims to develop lerociclib for CDK4/6 inhibitors' traditional indication of hormone receptor-positive, Her2-negative breast cancer. Three drugs with this mechanism are marketed today, but it is Pfizer's Ibrance that is the most entrenched, with sales of nearly \$5bn last year.

## Selected CDK4/6 inhibitors

Product	Company	Patent expiry	Sales (\$m)		Status
			2019	2026e	
Ibrance	Pfizer	Jan 2028	4,961	9,683	Marketed
Verzenio	Lilly	Dec 2029	580	3,256	Marketed
Kisqali	Novartis	Jun 2028	480	1,483	Marketed
Trilaciclib	G1 Therapeutics	Apr 2033	0	980	Phase II
SHR6390	Jiangsu Hengrui	NA	0	259	Phase III
Lerociclib	EQRX	Dec 2036	0	77	Phase II

*Source: EvaluatePharma sellside consensus.*

Ibrance's current US list price is around \$13,000 a month, though of course this excludes discounting, and the cost to patients depends on their insurance plans.

At last year's [San Antonio Breast Cancer Symposium G1 presented phase I/II data](#) in which it said lerociclib's median progression-free survival of 15 months was "consistent with other CDK4/6 inhibitors used in combination with fulvestrant" in this breast cancer setting.

In the case of EQRX's second deal, the lung cancer space Jiangsu Hansoh's almonertinib targets – the downstream T790M mutation – is entirely controlled by Astrazeneca's Tagrisso, whose US wholesale acquisition price is around \$15,000 a month. There is also clinical evidence backing almonertinib, and in fact the drug is already approved in China, under the trade name Ameile.

That green light came in March, and was [backed by the single-arm Apollo trial](#), results from which were presented at this year's virtual AACR meeting. These showed an overall remission rate of 68.9% in 244 patients, with median progression-free survival of 12.3 months, and no grade 3 rash or QT interval prolongation.

Beyond Tagrisso the industry pipeline has [plenty of clinical projects targeting downstream mutations after initial EGFR inhibitor therapy](#). Specifically in T790M mutations almonertinib could face competition from another third-generation EGFR inhibitor, Novartis's EGF816, though Clovis's rociletinib, Hanmi's HM61713, Astellas's ASP8273 and Pfizer's PF-06747775 have all been discontinued.

The up-front value of the [Jiangsu Hansoh deal](#) has not been revealed. EQRX says it has other, as yet undisclosed, projects in its pipeline, and no doubt the \$200m of series A funding it raised in January gives it plenty of firepower to bring in more assets to develop to undercut the competition.