# Interview: Dr. Carl Firth â?? CEO, ASLAN Pharmaceuticals, Singapore

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*The CEO of ASLAN Pharmaceuticals, Dr. Carl Firth discusses the implications surrounding the companyâ??s imminent initial public offering on Taiwanâ??s stock exchange, while explaining how this move serves to position ASLAN as Singaporeâ??s first local success story.*

**Having just completed a pre-IPO financing round, it seems the company has many exciting milestones in the pipeline. How will these newly acquired funds be allocated?**

Together with the pre-IPO financing, we also raised USD 43 million at the end of last year, bringing our cumulative total to over USD 100 million. We have now filed for our IPO in Taiwan. If thatâ??s successful, it will allow us to raise additional capital, which will be used to advance the portfolio, particularly as we get to the larger studies that have larger capital requirements. It will also enable us to build upon the current portfolio by acquiring newer assets. In fact, we plan on announcing a few more deals in the next couple of weeks to add more assets into the pipeline. And of course, in the years ahead, as I mentioned, weâ??ll focus on building those commercial capabilities.

**ASLAN also just recently sold rights of ASLAN002 back to BMSâ??congratulations. Whatâ??s the development timeline for the remaining products in your portfolio?**

Our lead compound *varlitinib* is entering a pivotal study now in cholangiocarcinoma, and thereâ??s another phase II study going on right now in that indication. In breast cancer, we have an ongoing phase II program and weâ??re looking to get that data out in the next couple of months. Our third drug, ASLAN003, is moving into phase II.

**Portfolio strategy is obviously one of the key drivers of success for any pharma companyâ??big or small. Given the endless sea of potential molecules out there today, can you walk us through the companyâ??s due diligence process when it comes to selecting the right compound, as well as the right partner?**

The first thing we do is look at the biology and we try to identify the most interesting targets in this space and the conceivable critical pathways for controlling tumor growth. We then look around and try to find companies that may have molecules against those targets, and if by partnering with us,

weâ??ll be able to add more value to the compound with our expertise. We are particularly focused on Asia prevalent tumour types, and can access clinical centres in the region with large numbers of patients, whereas European or American companies might struggle to recruit in the West.

Every year weâ??re maybe talking to 100 to 200 companies. Out of those, we quickly narrow it down to a small number of compounds that weâ??re particularly interested in. At that point, some companies might not be interested in partnering, but there are many others we are able to continue conversations with. End-to-end when working with a smaller company, we can get a deal done in six months, which might go up to 12 months when dealing with big pharma.

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**How would you describe the essence of the companyâ??s business model and the way in which itâ??s effectively challenging the way the industry thinks about R&D?**

ASLAN is an oncology-focused biotech company, developing a portfolio of immuno-oncology and other agents targeting growth platforms. Our main focus is on Asia prevalent tumor types.

Historically, a lot of the largest companies have focused on tumor types more prevalent in the West, such as prostate, colorectal, and breast cancer, but actually other tumor types such as gastric or liver cancer are much more common in Asia.

For example, one of the diseases that we focus on is cholangiocarcinoma, a cancer of the bile duct. This particular cancer probably has only 5,000 cases a year in the USâ??generally considered quite rare; in Asia, there are about 120,000 cases per year. Gastric cancer has approximately 30,000 cases in the West, compared to Asiaâ??s 1.2 millionâ??itâ??s the number one killer out of any cancer.

Many companies are now looking more deeply into these types of cancers because of the growing importance of Asia, but for a long time there hasnâ??t really been much research done in these areas. The therapies available in these areas are far fewer than say for breast or lung cancer.

Now, if youâ??re going to work with Asia-prevalent diseases, we think it makes sense to actually do the work in Asiaâ??closer to the patients and the worldâ??s experts. We built ASLAN to work with the patient populations here in Asia and emerging high quality clinical centers, but also recognizing the fact that there are still very high unmet needs in the West as well. Our lead compound *varlitinib* obtained orphan designation in the US for two designations; so, ultimately we are looking to bring our therapies to patients all around the world.

**What part of the clinical development timeline does ASLAN add the most value?**

The first stage in building our portfolio has been largely done through in-licensing so farâ??and that is not an uncommon model in the industry. Once weâ??ve developed those drugs, we try and leverage the expertise and experience in our company. When we then come to finding partners, there are some geographies where we want to commercialize ourselves, and others where we recognise that weâ??ll need strong local partners to maximize the value of the drugs and get them to the patientsâ??as was the case with *varlitinib* and our most recent drug ASLAN002. However, for the countries where a small biotech like ASLAN can conceivably build a commercial presence, we actually want to build up our own capabilities.

We focus on clinical developmentâ??anything from phase I up until pivotal studies; though, we will only do pivotal studies in indications that are relatively accessible for small companies. For instance, doing a pivotal study in cholangiocarcinoma, which requires a much smaller-sized study given the

lack of approved therapies, makes more sense for us than doing one in breast cancer, which requires a significant amount of time and resources.

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**ASLAN now has offices located in Singapore, Australia, China, and Taiwan. What are your future expansion plans looking like?**

In terms of clinical development, we now want to focus on building around these particular offices. Our two largest hubs are Singapore and Taiwan, with our core R&D team split between the two. The team in China, which we just set up, is focused specifically on development activities for the China market. Moving forward, as we think about where this drug could go, with our lead compound, we need to start thinking about building commercial capabilities in selected markets. In the years ahead, weâ??ll start drawing up plans for building that commercial presence across the region.

**What factors have depicted Taiwanâ??s stock exchange as the ideal destination to list?**

Every market has its own characteristics and types of companies that investors prefer. If you look at the US, itâ??s a very deep market with specialist investors covering all sorts of industries and sectors, making healthcare a prime area to be in; although biotech is not doing too well at the moment, it will pick up at some stage.

Looking in Asia at places such as Korea or Japan, thereâ??s been a lot of excitement, but primarily centered on local companies, and less accessible for foreign companies. In Hong Kong, you canâ??t actually list unless youâ??re profitable, which then excludes the majority of biotech companies.

In Singapore, there are certainly mechanisms for getting biotech companies listed on the market, but investors donâ??t necessarily have strong interests in healthcare or biotechâ??favoring other sectors such as financial services, entertainment, or real estate. There are no true biotechs listed in Singapore today, and that just really comes down the level of risk that investors are willing to take.

On the flipside, Taiwan has a rich history of companies dabbling in IT and manufacturing, and overall exuding a much more entrepreneurial environment. People were dutifully backing companies that were inherently more risky, but with much higher returns. Now, thereâ??s this culture of supporting high risk, high return companies, creating a very healthy level of turnover in the marketâ??particularly when compared to other Asian markets.

**Given the added level of regulatory burden and scrutiny, what is the strategic rationale behind raising capital through the public markets?**

There are two primary reasons for that. First, public capital is always cheaper than private capital. Given the lack of lack of liquidity, thereâ??s always going to be a discount applied to private companies, ranging anywhere from 20 or 30 percent up to even 100 percent. Second, an IPO allows investors liquidity and an opportunity to exit. Weâ??ve had a number of investors for quite some time. I donâ??t foresee a lot of them selling straight away, but some may just take a little bit off the table to reward themselves for their commitment these past six years.

**Previously, youâ??ve proclaimed that Asia has been always been a hub of incremental innovation rather than true innovation. Would you also lump Singapore in that category?**

Every country has its own strengths and weaknesses. Singapore, of course, has many strengths but some of the challenges it faces in terms of building a completely end-to-end industry is similar to the challenges that other countries face.

Over the last three years, there have been a lot more signs of true innovation in the region. Whether you look at China, Korea, Taiwan, as well as Singapore, weâ??re starting to see some elements of truer innovation. And that trend will only continue, particularly in countries like China, where for many years, companies were rewarded for pursuing me-toos and lacked the incentives for differentiation given the way the system was structured. But thatâ??s starting to change. As with the West, people in China, as well as the rest of Asia, are starting to demand drugs that truly impact patient outcomes. And that requires leaps and bounds when it comes to innovation, not just incremental improvements.

**What are the main levers that will drive this level of innovation?**

Using Singapore as an example, the country has done a phenomenal job in building world-class research capabilities, and working with companies across the world to effectively advance the scientific frontier. Singapore has also made significant strides in establishing an environment that is extremely conducive to early phase clinical developmentâ??particularly with its widespread network of quality clinicians and hospitals that have substantial experience in handling experimental drugs.

The gap that Singapore has been trying to fill in recent years is getting people to understand how to effectively translate the countryâ??s existing clinical capabilities into a product that can actually be both commercially relevant and beneficial to patients.

Drug development is not only about science. Science is just one piece of the puzzle. Good science is unequivocally required, but good science on its own isnâ??t going to help patients. All aspects of the development process must be considered, including the mindsets of physicians, payers, and even patients themselves, in addition to the typical market dynamics that come along with commercialising new products.

**How do you then foresee Singaporeâ??s role evolving alongside these trends and the value proposition that it continues to offer pharma companies?**

The country will continue building on the strengths that it hasâ??the strength of science in particular. There has also always been a strong focus on manufacturing. But it is becoming increasingly competitive, with other likely candidates such as China, Malaysia, or Korea also effectively in the running.

In terms of being able to build truly innovative homegrown companies is where the next critical step is going to come for Singapore. Decision makers have long recognised that any subsequent value created from good science actually leaves Singapore when partnering with overseas companiesâ??spawning the question of how the country can retain value within its borders throughout the evolution of developing these drugs.

Increasingly, weâ??re starting to see a stronger focus on these homegrown companies, specifically ways to support the local biotech industry. Historically, thereâ??s been a big focus on multinationals, but thereâ??s been recognition that even multinationals donâ??t necessarily keep all the value in Singapore. So, again itâ??s sometimes more challenging to justify, whereas I see local biotechs as serving a pivotal role in driving Singaporeâ??s future value proposition.

And to enable this, Singapore really needs a local success storyâ??Iâ??m hoping ASLAN can be just that.

Even though weâ??re listing in Taiwan, we are and will always be a Singaporean company. The country has never seen a team of this caliber driving drug development. Ultimately, weâ??ll deliver value through the portfolio, but weâ??ll only be able to find the right assets, understand how to develop them, and partner if we have the right team.

**What would you consider the most salient considerations that industry executives and decision makers alike should be asking themselves when it comes to emerging markets?**

In terms of challenges, some of latest advancements in drugs are coming out at price points where only certain countries are going to be able to afford to buy the drugs. Some of the immuno-oncology agents coming out in the US go for USD10,000 a monthâ??that price may allow some take up in certain Western markets, but itâ??s going to be very challenging to get any take up in Asia.

As such, weâ??re going to start seeing a shift in the way we go about developing and administering therapies for diseases and cancers in a cost-effective way, which presents a considerable task not just for companies, but also those trying to treat patients around the world. So, access to medicine will continue posing as a distinct challenge in many of the â??pharmergingâ?• countries moving forward.

**What aspects of the industry excite you the most in the upcoming years?**

The most interesting things in market are some of the advances being made in oncologyâ??particularly immuno-oncology. Itâ??s quite amazing, five or six years ago we were speculating whether these things would even become drugs or not. The idea of immuno-oncology has been around for decades, but no one had really appreciated that we could make some very important drugs out of them. Now, weâ??re really still in the nascent phases of understanding what immuno-oncology is all about, how different immune cells interact, and what exactly we should be targeting. So, I think the next five to ten years will be very exciting to help us unwind that puzzle.

The ultimate goal in oncology will eventually shift from extending life to curingâ??a concept unheard of just five or six years ago. But recently, especially with the advances in immuno-oncology, we have started to see some real curative approaches for certain tumor types.

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