

Australia's MRCF leads \$8.8M funding for Pathios Therapeutics

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The financing will accelerate the development of first-in-class therapies in autoimmune disease and immunology

UK based Pathios Therapeutics Limited, an innovative biotech company focused on the development of first-in-class therapies for autoimmune diseases and cancer, has announced a US\$8.8M Series A financing round with leading international healthcare investors Canaan and Australia's Medical Research Commercialisation Fund managed by Brandon Capital ("MRCF").

Pathios also announced the appointment of Stuart Hughes as Chief Executive Officer and Director. Formerly Senior Director and Head of Pharmacology at Vertex Pharmaceuticals (Europe) Limited, Stuart is seasoned in drug discovery and development, with a breadth of experience leading translational drug development programs across a range of therapeutic areas.

Tom McCarthy, Executive Chairman and Co-Founder, commented: "We established Pathios to capitalize on emerging scientific evidence that the pH sensing GPCR, GPR65, is a critical regulator of T-cells and tumour associated macrophages. We are proud of the recent progress we've made to expand the founding team and the acceleration of our drug discovery efforts following close collaboration with the team at Sygnature Discovery and their investment earlier this year. We are now on the verge of clearly defining the biological processes GPR65 controls, it's genetic links to disease and how small molecules can modulate its signalling. As we push ahead, we are delighted to have additional support from such well-credentialed investors and to welcome Stuart to Pathios. He is a proven leader and strong communicator who possesses the skills and experience to execute on the Company's strategy."

Pathios' drug discovery programme is aimed at modulating the activity of GPR65. The company targets its signalling in cells of the immune system. Many pathological environments are characterized by abnormally acidic pH which signals to local immune cells leading to profound and unfavourable changes in their characteristics. A key mediator of these effects is GPR65 which is highly expressed on cells of both the adaptive and innate immune systems. Pathios is developing novel drugs to suppress the harmful signalling brought about by GPR65.

This drug target is characteristic of certain T helper 17 (Th17) cell populations which have been shown to contribute significantly to the pathology of autoimmune conditions, such as ankylosing spondylitis and psoriatic arthritis. In addition,

recently published studies have demonstrated GPR65 drives tumour associated macrophages (TAM) to adopt a phenotype that supports cancer immune evasion.

Stuart Hughes, Chief Executive Officer of Pathios Therapeutics Limited, commented: "I am thrilled at the opportunity to lead Pathios Therapeutics at such an exciting time in the company's journey. Pathios has an excellent foundation for exploiting the therapeutic potential of GPR65 in the immune system. I look forward to working with the team and building on the excellent science done so far to bring that to fruition. I am also delighted to see the company backed by such high-calibre investors, enabling us to accelerate our drug discovery efforts."

Chris Nave, Partner at Brandon Capital, commented: "Pathios represents a compelling opportunity to deliver first in class medicines that modulate a key pH-sensing GPCR in a pathological low pH environment. We are pleased to be working with Tom again after being one of the early investors in Spinifex. We are also pleased that our investment facilitates the ongoing collaboration between Pathios and Dr Jess Holien at Melbourne's St Vincent's Institute (SVI) of Medical Research and the Pathios team are exploring other collaborative opportunities with MRCF members given Australia's internationally recognised track record in immunology and oncology translational research."

Brent Ahrens, General Partner at Canaan, added: "This is Canaan's third time backing Tom – with his track record at Spinifex and Grey Wolf, it's easy to see why. The addition of Stuart – with his significant experience as a drug discovery expert and leader – makes this opportunity even more appealing. The team is poised to develop first-in-class therapies in autoimmune disease and immuno-oncology. We are thrilled to be supporting this exceptional team as they execute an ambitious vision."