# Capsida Biotherapeutics Debuts with $140 Million of Capital

- Versant, Westlake Village BioPartners launch next-generation gene therapy company with $50 million Series A -

- Collaboration with AbbVie provides $90 million in up front and equity investment capital to create tissue-targeted gene therapies for three CNS disease targets -

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**Capsida Biotherapeutics →**
Apr 29, 2021, 05:15 ET

THOUSAND OAKS, Calif., April 29, 2021 /PRNewswire/ -- Versant Ventures and Westlake Village BioPartners today announced the emergence from stealth mode of Capsida Biotherapeutics Inc., a biotechnology company using an adeno-associated virus (AAV) engineering and cargo development platform to develop tissue-targeted gene therapies for multiple types of diseases. In addition to a $50 million Series A commitment from the two firms, Capsida also announced a multi-year strategic collaboration and option agreement with AbbVie that provides $90 million in up front and equity investment capital in addition to potential future option, development and commercial milestone payments. The collaboration is aimed at developing best-in-class, targeted gene therapies for three programs in serious neurodegenerative diseases.

"Our high-throughput AAV engineering platform is designed to identify differentiated capsids and cargos that will successfully deliver gene therapies with superior cell and tissue targeting and safety profiles than current-generation products in both CNS and non-CNS diseases," said Robert Cuddihy, M.D., chief executive officer of Capsida. "We are very pleased to debut today with the backing of experienced company creators in Versant and Westlake, as well as with a significant pharma partnership with AbbVie."

**A next-generation AAV and cargo platform**

Although current gene therapy approaches have shown dramatic efficacy in several rare diseases, the medicines are hindered by imprecise targeting, an inability to transduce a number of cell types and tissues effectively, and safety liabilities. Specifically, most current-generation approaches use naturally occurring serotypes of AAV that have limitations in their ability to transduce desired cell types with a therapeutic gene product. Due to lower transduction efficacy, these products may need to be delivered at higher doses and thus may be more likely to induce immunogenic responses and adverse events.

As a result, many monogenetic and sporadic neurodegenerative disorders yet remain unaddressed by this therapeutic modality.

Capsida is addressing these concerns with its AAV engineering platform that generates capsids optimized to target specific tissue types and limits transduction of tissues and cell types that are not relevant to the target disease, allowing for improved efficacy and safety. In addition, Capsida is developing proprietary cargo that delivers effective gene replacement or enhancement customized for the specific disease of interest.

The platform originated from groundbreaking research in the laboratory of Viviana Gradinaru, Ph.D., Professor of Neuroscience and Biological Engineering, Heritage Medical Research Institute Investigator, and Director of the Center for Molecular and Cellular Neuroscience at the Tianqiao and Chrissy Chen Institute for Neuroscience at Caltech. The platform uses machine learning, structural biology, non-human primate models, and human tissue models to screen billions of engineered capsids for the ability to target desired tissue types precisely.

The company's engineered capsids have demonstrated markedly enhanced tissue tropism for neurons versus astrocytes, glia, and other CNS cell types, thus demonstrating potential to unlock treatments for disorders requiring neuronal transduction that exceeds the performance of first-generation AAV9-based therapies.

"With our long-standing track record in the gene therapy space, it is gratifying to help launch Capsida, which is taking a novel approach to developing genetic medicines," said Clare Ozawa, Ph.D., managing director at Versant and a Capsida board member.

**Collaboration with AbbVie**

Capsida's newly announced collaboration with AbbVie will use the biotech's platform to identify and advance clinically translatable capsids paired with an innovative therapeutic approach from AbbVie to create tissue-targeted gene therapies for three CNS disease targets.

Under the terms of the agreement, Capsida will receive $80 million up front in cash and a $10 million equity investment. For targets one and two, upon AbbVie exercising its option, Capsida is eligible to receive $530 million in option and development milestone payments excluding commercial milestone payments. Capsida is also eligible to receive up to high single-digit royalty payments on future product sales. Following AbbVie's exercise of its options for these programs, AbbVie will be solely responsible for further development and commercialization.

For the third disease target, upon AbbVie exercising its option, Capsida will have the right to develop through human proof-of-concept, and AbbVie would lead late-stage development and commercialization. Following human-proof-of concept, the parties would enter into a 50/50 cost:profit share with Capsida having the option to co-promote in the US.

For all three programs, Capsida will lead capsid discovery efforts using its high throughput AAV engineering and screening platform and AbbVie will contribute innovative therapeutic approaches. Capsida will also be responsible for process development and early clinical manufacturing of all programs.

"We are excited to enter this licensing agreement with Capsida. By combining Capsida's deep understanding of the structure-function relationship of AAV biology with AbbVie's innovative cargo therapeutic technologies, we will strive to develop highly effective and transformative gene therapies for patients with devastating CNS disorders," said Eric Karran, Ph.D., Vice President, Neuroscience Discovery at AbbVie.

**Capsida operating plans**

Capsida's initial internal preclinical programs center on neurodevelopmental and neurodegenerative disorders, areas in which gene therapies have yet to gain significant traction due to the difficulties of targeting the brain. Based on progress to date, Capsida expects to start IND-enabling work on its first development candidates during 2021 and to start clinical trials in 2022.

In addition to continuing preclinical work on its lead assets, the company plans to use proceeds from its $50 million Series A financing to open its state-of-the-art manufacturing facility this year and advance its platform into non-CNS disorders.

The company is operating from its site in Thousand Oaks, California.

"Capsida is another example of the growing biotech hub in the Greater Los Angeles area," said Beth Seidenberg, M.D., founding managing director at Westlake Village BioPartners and a Capsida board member. "Westlake Village BioPartners is proud to be catalyzing this growth. Capsida is led by an outstanding team of executives and we are looking forward to growing the team to support our internal pipeline and the AbbVie collaboration."

With the anchor investment from Versant and Westlake, and the collaboration with AbbVie, Capsida plans to expand its 50-member team to about 100 scientists this year. To capture the expanding opportunities in the field of gene therapy, Capsida will pursue additional strategic opportunities in parallel with financial investors over the coming months.

**About Capsida Biotherapeutics**

Capsida Biotherapeutics Inc. is developing tissue-targeted gene therapies using its biologically driven, high-throughput adeno-associated virus (AAV) engineering and proprietary cargo development platform. As a fully integrated gene therapy company, Capsida is combining its differentiated AAV engineering and screening capabilities with cargo development and state-of-the-art manufacturing to establish a proprietary pipeline of groundbreaking gene therapies across a range of therapeutic areas for indications that are unreachable with current technologies. The company's leadership is backed by decades of successful biologics manufacturing experience and deep AAV biology expertise. Visit us at www.capsida.com to learn more.

**About Versant Ventures**

Versant Ventures is a leading healthcare venture capital firm committed to helping exceptional entrepreneurs build the next generation of great companies. The firm's emphasis is on biotechnology companies that are discovering and developing novel therapeutics. With $4.2 billion under management and offices in the U.S., Canada and Europe, Versant has built a team

with deep investment, operating and R&D expertise that enables a hands-on approach to company building. Since the firm's founding in 1999, more than 75 Versant companies have achieved successful acquisitions or IPOs. For more information, please visit www.versantventures.com.

**About Westlake Village BioPartners**

Westlake Village BioPartners is a Los Angeles area-based venture capital firm focused on incubating and building life sciences companies with entrepreneurs who have the potential to bring transformative therapies to patients. Westlake manages more early stage venture capital solely from the greater Los Angeles area than any other firm. The Westlake model is built on the founding team's unique experience in successfully identifying and developing breakthrough therapies and building organizations, based on their extensive R&D experience. For more information, please visit www.westlakebio.com.

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