

Dunad Therapeutics could earn \$1.3bn add-ons from Novartis collaboration

Pioneering Cambridge life science startup Dunad Therapeutics has struck it rich through a new deal with Novartis to develop nextgen protein degradation therapies.

The strategic collaboration and licence agreement is designed to generate orally bioavailable covalent and protein degrading small molecule drugs.

Dunad will receive \$24 million in an upfront payment and equity investment, as well as significant research funding. It will also be eligible for milestone payments that could aggregate to up to \$1.3 billion and royalties.

Alongside the equity investment of Novartis and the founding investor Epidarex Capital, BioGeneration Ventures is joining Dunad as a new investor. Oskar Slotboom, general partner at BGV, has joined Dunad's board.

Dunad will apply its tunable and highly selective platform to generate targeted solutions focusing on up to four drug targets agreed with Novartis.

Dunad will also be responsible for program execution up to lead optimisation. Novartis will contribute target and ligand knowledge as well as access to unique assays and models and will fully fund the research collaboration.

Novartis has an exclusive option to develop and commercialise products resulting from the research programs directed against up to four drug targets.

Upon exercise of this option, Novartis will assume responsibility for future development, manufacturing and

global commercialisation of resulting products.

Dunad's unique platform uses mono-valent small molecules to induce selective degradation of disease-causing and often undruggable proteins via direct modification of the target.

The company's novel molecular approach is fully tunable to be selective and is underpinned by a target-class agnostic mechanism of action that is clearly differentiated from other targeted protein degradation technologies.

Dunad's platform has the potential to generate orally bioavailable degrader therapeutics that significantly expand the frontiers of protein degradation targets.

Professor Patrick Gunning, Dunad's co-founder, acting CEO and chief scientific officer said: "We are thrilled to have entered this collaboration with Novartis, which has already established a world leading position in the protein degradation space.

"This deal highlights the clear benefits our platform promises for the development of next-generation targeted protein degrader therapeutics. We are confident that with our approach of inducing degradation via direct modulation of target proteins with mono-valent small molecules, we can significantly expand the boundaries of targeted protein degraders as a therapeutic modality."

Dr Diana Kraskouskaya, co-founder and Chief Operating Officer of Dunad, commented: "This collaboration is an important milestone for Dunad. It allows us to rapidly expand the impact of our platform technology to additional target classes and therapeutic areas, beyond Dunad's own internal target pipeline.

"Our growing team is committed to advancing our internal pipeline and partnered programs directed against the most sought-after and previously intractable targets."

Dr Elizabeth Roper, partner at Epidarex and Dunad board director said: “We are delighted to see Dunad’s growth continue with such a significant deal with Novartis.

“This collaboration provides validation of Dunad’s differentiated protein degradation technology and explores the full potential of this new modality as a therapeutic approach.

“We are also excited to welcome BGV and Novartis as investors to the syndicate and look forward to our continued collaboration with the team.”