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Neuro-Bio seeks to raise GBP 10m Series C by 1H22 for Alzheimer's peptide drug – CEO

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Neuro-Bio, a UK biotech developing a treatment for Alzheimer's Disease (AD), is looking to raise up to GBP 10m in tranches to progress the clinical development of its novel molecule NBP14, its founding CEO Susan Greenfield said.

The Abingdon, Oxfordshire-based company is looking to raise an initial GBP 5m to close by the end of 2021, which will finance IND-enabling studies and API formulation and manufacturing, she said. Thereafter the second tranche will be raised by 1H22 to finance Phase I studies expected to start in 1Q23, which will recruit about 100 subjects and last one year, she said.

Legal and financial advisors are welcome to approach the company for future fundraising, partnership and exit plans, she said.

The company is basing the GBP 10m raise off a GBP 50m inhouse valuation as of 2Q22, but if raised in tranches, then the initial GBP 5m will be raised off a GBP 35m valuation, she said. This is based on having received a convertible loan from the UK government's The Future Fund, which valued the company at GBP 35m in 2020 and under the terms of the agreement, will match the next investment amount at this valuation, she explained.

Baroness Greenfield, a member of the House of Lords, is a senior research fellow at Lincoln College, Oxford.

As a comparable, she pointed to Acumen Pharmaceuticals, a Charlottesville, Virginia-based drug developer, which on the basis of a Phase I candidate raised USD 160m in an upsized IPO on 1 July and now has a USD 746m market cap . Acumen has a comparable technology to Biogen's [NASDAQ:BIIB] AD drug aducanumab, which has yet to show clinical benefit despite being approved.

Founded in 2013, Neuro-Bio has raised a total of GBP 7.8m to date in a Series A and Series B1/B2, she said. Greenfield holds a 30% stake alongside US VC fund Kairos Ventures, which also has a 30% stake, she said.

The remainder is held by business Angels and a negotiable stake is therefore available to incoming investors, she added. Greenfield conceded that she and the VC fund could be diluted.

Ideal investors can be US financial sponsors as well as US-based or Australian diagnostic players whom Bio-Neuro has already been liaising with, she said. As the company is also developing a companion diagnostic based on the premise that its lead candidate can be a blood biomarker for AD, such players could either partner or invest in the company, Greenfield added.

The company will consider various exit scenarios in 2025, including a sale or IPO depending on its pipeline, she said. An exit in 4Q25 could garner a valuation of USD 700m - USD 1bn just based on its NBP14 lead candidate for AD, according to its internal valuation. Adding other assets, including the biomarker for AD and the application in oncology could increase that valuation by up to USD 650m, according to the same internal valuation.

Technology and milestones

The company's lead candidate, which has been classed as novel by the MHRA, is based on a previously unknown neurochemical and peptide T14, a bioactive part of the enzyme acetylcholinesterase (AChE) molecule.

Neuro-Bio's NBP14, which has gone through proof of concept, is a structurally changed, inactive variant of T14 that blocks the actions of its naturally occurring counterpart when it operates inappropriately. The company has shown in preclinical models that chronically administered NBP14 is effective in AD mouse models and displaces excessive T14 in a *post-mortem* AD brain.

Neuro-Bio has also identified other applications for T14 based on published research and based on the premise that T14 is at the basis of several biological processes, Greenfield said.

In an ongoing study with the Australian Olivia Newton-John Cancer Research Institute in Melbourne, NBP14 has been shown to have a promising effect in reducing the spread of metastases in cancer, she said.

Once more data is available and published, Neuro-Bio will assess options for a cancer indication by either placing the molecule in a separate special purpose vehicle (SPV) that can attract investment separately from Neuro-Bio, or management will assess co-development and/or out-licensing opportunities after Phase II data, she added.

Neuro-Bio is also assessing the potential of T14 in skin renewal, Greenfield said. The proposition is based on the premise that as neurodegeneration and cancer are unusual activations of a basic developmental system driven by T14, then the molecule will be at work even in adulthood, in organs that are in a continuous state of development such as the skin, she explained.

Pilot studies have shown that T14 can be bioactive in skin, and is naturally present in epidermal cells, but declines with ageing, she said. Further applications in skin can therefore be in dermatology, she said.

Antibody detection of natural T14 levels can act as a biomarker of skin aging, which can be useful to the cosmetics industry; a synthetic variant of T14 can be applied locally to reduce skin aging, which would also be palatable to the cosmetics industry; and NBP14 could be tested in blocking excessive T14 activity that could underlie psoriasis and eczema, she added.

The company could also look to use T14 with developing preclinical tools with a non-genetic animal model of AD, she said, given that genetically modified mouse models do not replicate the fully authentic AD profile. The administration of T14 to normal rodents should result in impaired memory loss, appearance of traditional brain markers among others, which can best assist with preclinical drug development.

The company has 10 employees.

by Mintoi Chessa-Florea in London

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