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## Taking it personally, cutting-edge biotech snags \$45 million

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As Dr. Hal Dietz fielded offers to spin out his research from Johns Hopkins University into a venture-backed biotech company focused on fibrotic diseases, he turned to MPM Capital's Luke Evin.

Evin, a founder of MPM, is chairman of the Scleroderma Research Foundation, which had funded Dietz's fibrosis research work over the last seven or eight years with \$1 million. It is a role that has given Evin a front-row seat to the work done in academic labs aimed at skin-thickening and connective tissue diseases.

Look, Dietz essentially told Evin, if I'm going to spin this out, I'd rather do it with you. And Blade Therapeutics Inc., the company formed last year by MPM, has gone on to raise more than \$50 million, including a \$45 million Series B round disclosed last month.

Evin's work with the Scleroderma Research Foundation isn't just some savvy VC play to get a leg up in the race to find, fund, fast track and flip cutting-edge life sciences companies. For Evin, Blade is personal: He has scleroderma.

Evin was diagnosed with the skin disease in the late 1990s. He has a less-dramatic version of the chronic disease; no vital organs have been compromised. But scleroderma is difficult to manage, and some patients with the same type disease phenotype end up with lung damage – about half of them dying within five years.

It is a real-life issue, affecting about 300,000 Americans, with no known exact cause and no cure.

Scleroderma, however, is only part of story of Blade Therapeutics. Although the 14-employee South San Francisco company is closely guarding the identity of its ultimate targets, Dietz' work could be applied to a range of fibrotic diseases, including hot commercial therapeutic areas such as nonalcoholic steatohepatitis in the liver or the lung-scarring disease known as IPF, or idiopathic pulmonary fibrosis.

Blade isn't planning to take a drug candidate into studies that set up a clinical trial program until at least mid-2017.

"Part of what we thought looked so super-compelling was that it feeds on the basic mechanisms of fibrosis. That's what we're hoping for," Evin said. "There are a wide variety of tissue types where you



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*Blade Therapeutics' crew is heavy on leaders from InterMune Inc., which brought the idiopathic pulmonary fibrosis treatment Esbriet to market.*

see fibrosis. We remain optimistic about the generality (of a drug)."

Dietz's decision to hand off his work to Blade was centered more on who would best translate the work from bench to bedside. The fact that Evin was not just a venture capitalist but a scleroderma patient and the leader of a nonprofit that saw the importance of the work in the Dietz lab were key factors.

Still, Evin himself worried about the blurring of his roles, the "perceived multiple interests in my life that not everyone would necessarily appreciate."

The decision to go forward received a big dose of validation with the latest funding, Evin said. Deerfield Management led the round, joined by the venture arm of Pfizer Inc. (NYSE: PFE). The Novartis Institutes for Biomedical Research and drug giant Bristol-Myers Squibb Co. (NYSE: BMY) also took equity in Blade.

MPM and another existing investor, Osage University Partners, also participated in the round.

Blade's timing couldn't be better. As the company was ramping up last year, Genentech Inc. and parent company Roche were making changes at InterMune Inc., the Brisbane company Roche acquired in fall 2014 for \$8.3 billion. InterMune's leaders were involved in a hard-fought battle, including a Food and

Drug Administration rejection, a costly but confirmatory clinical trial and, ultimately, the victory of bringing Esbriet to market as the first FDA-approved IPF drug in the United States.

Now the InterMune team was looking for new jobs.

"The cornerstone to the company is the incredible talent we have," said Wendye Robbins, Blade's president and CEO. "Amassing a core group of fibrosis-specific drug developers is the critical thing."

Blade's team includes Brad Buckman, who was InterMune's vice president of drug discovery and medicinal chemistry; Ravi Rajagopalan, InterMune's director of discovery biology; Caralee Schaefer, director of pharmacology at InterMune; John Nicholas, InterMune's director of computational chemistry and biology; and Karl Kossen, who was vice president of disease biology.

"With these people, we have been able to prosecute and curate a (drug) candidate quickly and come up with a chemical series to take forward in a year," Robbins said. "That's pretty fast."

For a venture capitalist, that progress is important to see, even more so when you're a patient as well.

"I'm proud of the funding of Hal's work at the foundation. It was catalyzing," Evin said. "It's the jewel that I'm proud of playing a role in."