



Karuna Completes \$80 Million Series B Financing

April 1, 2019

\$12 million in extension funding announced

Karuna awarded U.S. Patent covering lead product candidate, KarXT

BOSTON--([BUSINESS WIRE](#))--[Karuna Therapeutics, Inc.](#) ("Karuna") focused on targeting muscarinic receptors for the treatment of neuropsychiatric disorders, including psychosis in schizophrenia, psychosis in Alzheimer's disease, and pain, has raised an additional \$12 million of funding as an extension of its Series B financing previously announced in March 2019. This brings the total Series B financing round to \$80 million, including the issuance of \$5 million in shares upon conversion of debt into equity. In addition, Karuna was recently awarded its first U.S. patent for its proprietary [KarXT](#) technology.

The new investment comes from Sofinnova Investments, which joins initial Series B financing participants ARCH Venture Partners, Fidelity Management & Research Company, Eventide Asset Management, Pivotal bioVenture Partners, Partner Fund Management, Wellcome Trust, Sands Capital, Alexandria Venture Investments, and founder PureTech Health. Sofinnova Investments will hold an observer seat on Karuna's board of directors.

"We are grateful for the support of all our investors who share our commitment to developing and delivering novel therapies to patients with disabling neuropsychiatric disorders," said Steve Paul, M.D., Karuna's chairman and chief executive officer. "The significant funding of Karuna's Series B will allow our team to further explore KarXT's therapeutic benefit in new indications outside of our ongoing Phase 2 clinical trial for the treatment of acute psychosis in patients with schizophrenia, including geriatric psychosis and pain and advance development of novel KarXT formulations and our early stage discovery pipeline."

"The Karuna team has developed a novel muscarinic receptor program which we believe offers exciting potential for treating several neuropsychiatric indications where demand for new therapies remains largely unmet," said James Healey, M.D., Ph.D., general partner of Sofinnova Investments. "I look forward to helping the company in its efforts to realize the full potential of KarXT and potentially expanding its pipeline for multiple differentiated programs targeting neuropsychiatric disorders affecting millions of patients worldwide."

KarXT, Karuna's lead product candidate, is currently being evaluated in a Phase 2 clinical trial as a potential treatment for acute psychosis in patients with schizophrenia. Proceeds from the financing will be used to advance the development of KarXT into several new indications, including geriatric psychosis and pain, progress new formulations of KarXT, expand the pipeline, and continue to build company infrastructure.

On March 26, 2019 the United States Patent and Trademark Office (USPTO) issued U.S. Patent No. 10,238,643, that covers the combination of xanomeline and trospium (known as KarXT), where the use of trospium is designed to alleviate the side effects of xanomeline. This intellectual property forms the basis of Karuna's KarXT program being evaluated across a variety of diseases in ongoing and planned clinical work. Karuna co-founder and chief operating officer, Andrew Miller, Ph.D., is a named inventor on the KarXT patent.

About KarXT

[KarXT](#) (Karuna-Xanomeline-Trospium), Karuna's lead product candidate for the treatment of psychosis in schizophrenia, consists of xanomeline, a novel muscarinic cholinergic receptor agonist that has demonstrated therapeutic benefit in placebo-controlled human trials in schizophrenia and Alzheimer's disease, and trospium chloride, an FDA-approved and well-established muscarinic receptor antagonist that has been shown to not meaningfully enter the central nervous system (CNS). KarXT is designed to preferentially target and stimulate M1/M4 muscarinic receptors in the brain while inhibiting their stimulation in peripheral tissues to improve tolerability. Karuna has completed two Phase 1 clinical trials in which clinically meaningful reductions in side effects were observed compared to xanomeline alone and in which KarXT was well tolerated in healthy volunteers. A proprietary co-formulation of xanomeline and trospium in a single capsule was used in the second Phase 1 clinical trial and is now being evaluated in an ongoing Phase 2 clinical trial in patients with schizophrenia experiencing acute psychosis. Preliminary results from this trial are anticipated by late 2019. A Phase 1b experimental pain trial in healthy volunteers and clinical work towards geriatric psychosis are expected to begin later this year.

About Karuna Therapeutics

Karuna is an innovative clinical-stage biopharmaceutical company primarily focused on developing novel therapies to address disabling neuropsychiatric conditions characterized by significant unmet medical need. Karuna is currently conducting a Phase 2 clinical trial of its lead product candidate, KarXT (Karuna-Xanomeline-Trospium), for the treatment of acute psychosis in patients with schizophrenia and expects preliminary results in late 2019. Karuna also plans to initiate clinical trials of KarXT to evaluate its potential therapeutic benefit in other CNS disorders, including psychosis in Alzheimer's disease, or AD, as well as pain. Karuna, which was founded by [PureTech Health](#) (LSE: PRTC), has a worldwide exclusive license for xanomeline and has a patent portfolio more broadly covering selective muscarinic targeting enabled by the KarXT approach. For more information, visit [karunatx.com](#).

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