



Karuna Announces \$68 Million Series B Financing

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Proceeds will be used to advance clinical development of lead product candidate, KarXT, for additional indications beyond the ongoing Phase 2 clinical trial in schizophrenia and for expansion of the pipeline

BOSTON--(BUSINESS WIRE)--[Karuna Therapeutics, Inc.](#) ("Karuna," formerly Karuna Pharmaceuticals), focused on targeting muscarinic cholinergic receptors for the treatment of neuropsychiatric disorders including psychosis in schizophrenia, psychosis in Alzheimer's disease, and pain, today announced the completion of a \$68 million Series B financing round, including the issuance of \$5 million in shares upon conversion of debt into equity.

The financing was led by ARCH Venture Partners, with participation from Fidelity Management & Research Company, Eventide Asset Management, Pivotal bioVenture Partners, Partner Fund Management, Wellcome Trust, Sands Capital, Alexandria Venture Investments, and founder PureTech Health. Heather Preston, M.D., managing director of Pivotal bioVenture Partners, has joined the board of directors of Karuna.

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.

"Patients living with schizophrenia often must choose among treatment options that only partly address their disabling psychotic and cognitive symptoms, often with undesirable side effects. Karuna's mission is to deliver a more effective and better-tolerated treatment for this large and underserved patient population. We believe this financing will enable us to deliver multiple milestones across our product-focused pipeline while expanding the capabilities and potential of our muscarinic receptor platform," said Steve Paul, M.D., chief executive officer and chairman of the board of Karuna.

"Karuna has continued to make strong progress advancing its pipeline, including ongoing enrollment in their Phase 2 clinical trial for the treatment of acute psychosis in patients with schizophrenia, and we are encouraged by the data supporting this novel approach to addressing a core symptom of a variety of disabling and all-too-common central nervous system disorders," said Robert Nelsen, co-founder and managing director of ARCH Venture Partners. "As an investor focused on companies with innovative approaches to meeting patient needs, we are pleased to support the next stage of Karuna's development."

About KarXT

[KarXT](#) (Karuna-Xanomeline-Trospium), Karuna's lead product candidate for the treatment of psychosis in schizophrenia, consists of xanomeline, a novel muscarinic acetylcholine receptor agonist that has demonstrated efficacy 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 not to enter the central nervous system (CNS). KarXT is designed to preferentially target M1/M4 muscarinic receptors in the brain while inhibiting their stimulation in peripheral tissues to significantly improve tolerability. Karuna has completed two Phase 1 clinical trials which demonstrated a clinically meaningful reduction in side effects compared to xanomeline and demonstrated that KarXT is 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. Top-line data from this trial are anticipated by the end of 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 a clinical-stage drug development company focused on targeting muscarinic cholinergic receptors for the treatment of neuropsychiatric disorders including psychosis in schizophrenia, psychosis in Alzheimer's disease, and pain. Karuna's lead product candidate, [KarXT](#), (Karuna-Xanomeline-Trospium) is being evaluated in a Phase 2 clinical trial in patients with schizophrenia experiencing acute psychosis, with top-line results anticipated at the end of 2019. 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](#).

Contacts

Investors

Jason Brown
+1 857 449 2239
investors@karunatx.com

U.S. media

Tom Donovan
+1 857 559 3397
tom@tenbridgecommunications.com