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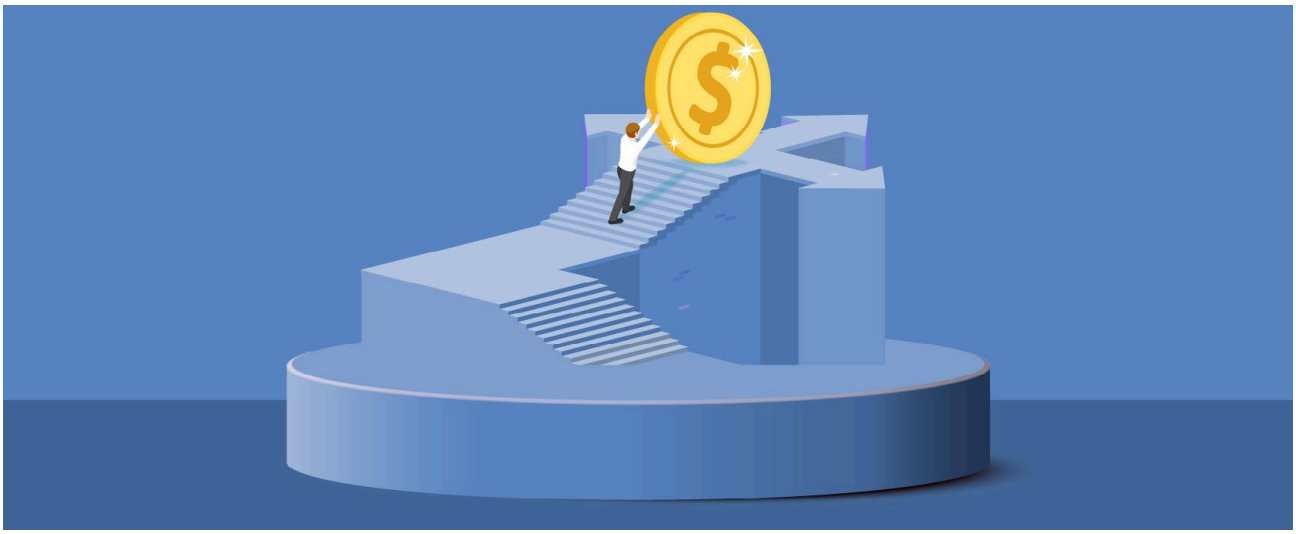
Carmot deepens commitment to metabolic pipeline with $160M series D

BY PAUL BONANOS, ASSOCIATE EDITOR



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A new $160 million round will help Carmot drive three programs forward in the clinic, including one that could be first in class and another best in class to treat obesity and diabetes.

First-time backer RA Capital joined a series D syndicate led by returning investor The Column Group. Carmot Therapeutics Inc. has now raised more than $220 million since its inception, including a $47 million series C in 2020, according to BioCentury's BCIQ database.

The acceleration of its fund-raising in recent years coincides with Carmot's decision to evolve from a model that emphasized discovery through partnerships to a development model in which it is investing in its own pipeline, CBO James Watson told BioCentury.

The 14-year-old, Berkeley-based biotech is advancing programs built on its Chemotype Evolution platform, which has already yielded one marketed drug under a 2014 partnership with Amgen Inc. (NASDAQ:AMGN): KRAS inhibitor Lumakras sotorasib. Watson said Carmot receives a royalty stream from Lumakras, but he declined to discuss its size or the company's future expectations for it.

Among its internal programs, once-daily dual GLP-1R/GIP receptor modulator CT-868 has begun Phase II testing in overweight and obese patients with Type II diabetes; data are due in 1H23. A Phase II study in Type I diabetes is to begin next year as well, Head of R&D and CMO Manu Chakravarthy told BioCentury.

Carmot also expects the new round to fund an upcoming Phase II trial of once-weekly CT-388. That, too, is a GLP-1R/GIP receptor modulator; both use a hybrid peptide-small molecule approach.

A third molecule, oral small molecule GLP-1R agonist CT-996, is slated to begin Phase I testing.

Carmot believes either of its dual modulators could be best in class, even in light of impressive data from GIP/GLP-1 agonist Mounjaro tirzepatide from Eli Lilly and Co. (NYSE:LLY). In April, data from a Phase III study showed that tirzepatide led to weight loss reductions in the 20% range, a long-sought

threshold for a pharmacologic intervention to reach the range commonly seen with gastric bypass surgery.

Watson declined to disclose specific data Carmot has accrued thus far, but said the company believes it can reach higher doses than others in the class with greater tolerability, and thus could show improved safety, efficacy or both. He also acknowledged that given the class's large market potential in obesity, even a second entrant showing equal weight loss reductions could be appealing to patients and physicians.

"Rather than just a cosmetic problem, obesity is a serious medical problem that's associated with Type II diabetes, heart disease, kidney disease and cancer," Chakravarthy said.

Chemotype Evolution uses iterative library construction and screening processes to tune properties of new candidates. Rather than mimic natural hormones, Carmot's molecules are meant to emphasize desirable traits while avoiding unwanted effects.

Watson said Carmot hasn't ruled out partnerships beyond its existing relationships with Amgen and the Genentech Inc. unit of Roche (SIX:ROG; OTCQX:RHHBY), although it has concentrated efforts on its own pipeline.

He said the latest equity round is designed so that Carmot can develop its programs on its own, but acknowledged that inbound business development interest should give the company future options. RA's presence "puts us in position as we think about public markets, business development or other options," he said.

Alongside RA and The Column Group, the series D round's investors included Deep Track Capital, Willett Advisors, Horizons Ventures and undisclosed others. Amgen was an investor in the series C.

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