



Montara Therapeutics Closes \$8 Million Seed Round Led by SV Health Investors’ Dementia Discovery Fund and Two Bear Capital to Develop Safer, More Effective Neuroscience Drugs Using a Novel Brain-Only Pharmacology Approach

- Many neurological therapies exhibit dose-limiting side effects, and numerous neurological disease targets remain undruggable because of on-target off-tissue peripheral side effects or toxicities.
- Montara’s BrainOnly™ is a versatile platform designed to prevent peripheral side effects and concentrate neurological drugs’ activity in the brain, enhancing safety, therapeutic index, and efficacy.
- Based on research from the Shokat Lab at UCSF, BrainOnly is broadly applicable with existing or novel small molecule inhibitors and activators targeting neurodegenerative and neurological diseases and brain cancers.

San Francisco, CA – July 30, 2024 – Montara Therapeutics, Inc. (‘Montara’), a therapeutics company aiming to revolutionize the discovery and development of brain-targeting drugs, announced today the closing of an oversubscribed \$8 million seed financing led by SV Health Investors’ Dementia Discovery Fund and co-lead Two Bear Capital. Dolby Family Ventures and KdT Ventures also participated in the round.

Therapeutics for neurological diseases such as Alzheimer’s disease and other dementias, Parkinson’s disease, amyotrophic lateral sclerosis (ALS), and brain cancers must penetrate the blood-brain barrier and be active against the target at the disease site. However, many promising drug candidates fail to advance due to dose-limiting on-target off-tissue peripheral side effects or toxicities that compromise both safety and efficacy. These brain diseases remain among the most significant unmet medical needs with many important targets still considered undruggable.

To address this challenge, Montara is pioneering BrainOnly, a platform designed to prevent on-target off-tissue peripheral side effects or toxicities of existing and novel drugs to make best-in-class and first-in-class therapies.

“The unmet medical needs of patients with neurodegenerative and neurologic diseases and brain cancers are staggering. It’s well understood that uncontrolled peripheral side effects or toxicities associated with brain-targeting drugs are often the barrier to promising

treatments. We hope to eliminate this obstacle with our BrainOnly platform, unlocking many previously undruggable neurological targets and delivering a new generation of neuroscience drugs that bring hope to patients and their families,” said Nicholas T. Hertz, Ph.D., Founder and Chief Executive Officer of Montara. “This seed funding provides a critical springboard to advance our internal pipeline toward the clinic and also enable future partnerships.”

How the BrainOnly Platform Works

The BrainOnly platform enables the development of two-drug combination therapies comprising a brain-penetrant target-specific drug and a non-brain penetrant “universal” peripheral blocker. Montara’s novel approach blocks the drug’s activity in the periphery while simultaneously activating and concentrating its activity in the brain. A two-drug combination approach has been clinically validated for Parkinson’s disease by one approved pair, carbidopa and levodopa, with additional programs in development. However, until Montara, there has been no efficient and scalable platform to systematically develop neuroscience drugs that can avoid peripheral side effects or toxicities.

The BrainOnly platform is based on pioneering research from the Shokat Lab at The University of California, San Francisco (UCSF), and was published in *Nature* in 2022 ([link to paper](#)). The technology is exclusively licensed from UCSF through its Office of Technology Management and Advancement.

Use of Proceeds

With the seed funding, Montara is advancing its universal peripheral blocker and a neurological disease-targeting drug with proven clinical benefit but severe dose-limiting peripheral side effects. Montara has also initiated chemistry on subsequent programs for Alzheimer’s and Parkinson’s disease. In connection with this financing, Dirk Landgraf, Ph.D., Principal at SV, and J. Seth Strattan, Ph.D., General Partner at Two Bear Capital, have joined Montara’s Board of Directors.

Dr. Landgraf commented, “We are excited to have worked with the Montara team on the creation of the company as a founding investor. Montara’s approach is differentiated since it activates the drug in the brain instead of using two drugs with counteracting effects on the same target or pathway. Its mission to develop a brain-only pharmacology platform has huge potential to bring safer and more effective therapies to patients suffering from brain disorders like Alzheimer’s disease and other dementias. We look forward to applying SV’s expertise in dementia drug development to support Montara’s ongoing success via a close collaboration.”

Jenna Aronson, Ph.D., a Principal at Two Bear Capital and board observer, stated, “We are honored to partner with this exceptional team to address a truly fundamental problem in

neuroscience drug development. Toxicity from peripheral target engagement has defeated many promising programs, even those with strong genetic validation and good target engagement in the brain. Unlocking these targets will change patients' lives. We share Nick's vision for Montara and are dedicated to helping realize the potential of the BrainOnly platform."

Montara's Founders

Montara was founded in 2023 by Nicholas T. Hertz, Ph.D., and scientific co-founders: UCSF Professor Kevan Shokat, Ph.D., who invented the covalent inhibition approach to target KRAS G12C, a previously undruggable target, and co-founded many successful biotechnology companies; Stanford University Professor Thomas Südhof, M.D., who won the Nobel Prize for his research in vesicle trafficking; and UCSF Professor Martin Kampmann, Ph.D., who has conducted extensive research in aging-associated neurodegenerative diseases. All of the scientific co-founders will serve on Montara's Scientific Advisory Board. Since the company's founding, the Dementia Discovery Fund has closely collaborated with Dr. Hertz on the business plan and the corporate and pipeline strategy.

Prior to founding Montara, Drs. Hertz and Shokat collaborated to found Mitokinin, which advanced a potential first-in-class disease-modifying treatment for Parkinson's disease. In October 2023, Mitokinin was acquired by AbbVie for \$110 million upfront and up to \$655 million in total deal value, in addition to tiered royalties.

About Montara Therapeutics

Montara Therapeutics is a preclinical-stage biopharmaceutical company pursuing novel approaches to develop safer and more efficacious treatments for neurological diseases. Montara's BrainOnly platform allows brain-specific pharmacology utilizing existing and novel chemical warheads, restricting deleterious on-target off-tissue peripheral activity. BrainOnly holds the potential to drug numerous targets previously considered undruggable. The company is backed by top-tier investors, including SV Health Investors' Dementia Discovery Fund, Two Bear Capital, KdT Ventures, and Dolby Family Ventures. For more information, visit montaratx.com

About The Dementia Discovery Fund

The Dementia Discovery Fund (DDF), managed by SV Health Investors, is the world's largest family of specialized venture capital funds that invests exclusively in companies developing or enabling novel therapeutics for dementia. Dementias, including Alzheimer's Disease, are arguably the largest unmet medical need, with over 55m patients worldwide. With more than \$500m raised for this strategy, and offices in London and Boston, DDF capitalizes on global investment opportunities to fulfill its mandate of delivering measurable impact and generating significant financial returns. Utilizing its network of venture partners, entrepreneurs, leading scientists, and strategic partners, DDF invests in and creates new biotech companies and provides thought

leadership in the field. DDF is enabled by its limited partners including major pharmaceutical companies (Biogen, Bristol Myers Squibb, Eli Lilly and Co., GSK, Johnson & Johnson, Otsuka (Astex), Pfizer and Takeda), along with AARP, Aegon, Bill Gates, British Patient Capital, NFL Players Association, Quest Diagnostics, UnitedHealth Group, and the non-profits Alzheimer's Research UK and LifeArc. Learn more at www.ddf.vc.

About Two Bear Capital

Two Bear Capital was founded in 2019 by Mike Goguen with a mission to empower visionary entrepreneurs to build enduring, impactful companies while benefiting society and delivering for investors. The Two Bear team combines expertise in enterprise technology, cybersecurity, AI, the life sciences, including where these domains intersect, to invest in solutions that make a meaningful difference to markets and to people. Together with the founders in the Two Bear family we believe that the future we want is ours to build. Two Bear Capital has offices in Menlo Park, San Diego, Boston, and New York, with a home base in Whitefish, Montana. For more, visit www.twobearcapital.com.

About Dolby Family Ventures

Dolby Family Ventures is a venture capital firm investing in early-stage companies and backing visionary entrepreneurs solving the biggest science and engineering challenges across precision neuroscience, life sciences platforms, aerospace, climate, and digital deep tech since 2014. Over this time, Dolby Family Ventures has invested in about 100 companies across these sectors. Learn more at www.dolbyventures.com.

About KdT Ventures

KdT Ventures is an early-stage venture capital firm focused on the intersection of biology, chemistry, and technology. Founded in 2017, KdT manages \$260M+ in committed capital, and has partnered with 55+ science-driven companies and founders across the life science, healthcare, and chemical and materials industries. KdT is often the first check into a company, and supports founders from the earliest stages of company building and commercialization.

References

1. Z. Zhang *et al.*, 2022, Brain-restricted mTOR inhibition with binary pharmacology, *Nature*, 609(7928):822-828

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