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Sosei announces collaboration with Medicxi

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Sosei Group Corporation has announced that it has entered into a structured financing agreement with Medicxi, a venture fund dedicated to financing asset-centric companies, to form two independent companies, Orexia Limited ("Orexia") and Inexia Limited ("Inexia"), that aim to develop novel therapies based on positive modulators of the G protein-coupled receptors Orexin OX1 and OX2 for neurological diseases.

Medicxi will be investing in both companies with an aggregate amount of up to €40 million.

Under the terms of the agreement, Orexia and Inexia will obtain a portfolio of related patents from the Company and have the rights to exploit a series of Orexin OX1 and OX2 positive modulators and products derived therefrom, including dual OX1/OX2 agonists, designed and developed by the Company, as well as access to proprietary know-how and development capabilities.

Orexia will focus on the development of oral therapies, while Inexia will focus on the development of candidates for intranasal delivery using the Optinose Exhalation Delivery System. The Company will retain an equity holding in both companies and will receive R&D payments as well as further payments on the achievement of pre-defined development milestones.

The funding, which is committed by Medicxi, will enable the further development and optimization of lead candidates for oral or intranasal administration into clinical development and through to proof-of-concept, utilizing Sosei Heptares' platform, discovery and clinical development expertise including extensive experience of neurological disorders. Specific target indications will be determined as the programs advance, and will include narcolepsy, a rare sleep disorder.

Mario Alberto Accardi Ph.D., who has a background in life sciences venture capital and helped structure the deal on behalf of Medicxi, will be appointed as CEO and Co-Founder of Orexia and Inexia, and will join the respective Boards. The other initial member of the Boards will be Francesco De Rubertis, a Partner at Medicxi. Orexia and Inexia will run out-sourced drug development programs, leveraging an experienced team of drug developers within Sosei Heptares and additional contributions from a group of leading experts in the orexin space. Both companies follow Medicxi's asset-centric virtual model utilizing minimal infrastructure and thus increasing capital efficiency.

Francesco De Rubertis, Partner at Medicxi said, "Orexin agonism is a very well validated therapeutic target with a clear unmet clinical need. We are excited to partner with Sosei Heptares to discover and develop such potentially valuable assets."

Dr. Malcolm Weir, Executive VP and Chief R&D Officer of the Company, added: "The asset-centric approach pioneered by Medicxi has proved to be very successful for developing discrete and novel assets and for creating significant value, and allows us seamlessly to transfer our ongoing activities and IP into these two special purpose vehicles. We see great promise in the orexin agonist program and believe it can be advanced significantly with this focused funding and within these new structures in which we retain a significant stake."

The orexin system is a key regulator of behavioural arousal, wakefulness and sleep. The loss of the orexin neurons has been shown to be strongly linked to multiple neurological conditions including narcolepsy. In this indication, orexin receptors remain intact and functional, providing an opportunity for therapeutic intervention.

The primary target indication of narcolepsy is characterized by frequent transitions between states of wakefulness and sleep and the inability of maintaining a wakeful state. Narcoleptic patients experience excessive daytime sleepiness (EDS), manifesting as attacks of falling asleep at unpredictable times, as well as often suffering from cataplexy, a sudden debilitating but transient weakening of muscle tone that can cause sufferers to collapse.