

Hydra Biosciences Reaps \$22.2M Series D
Brian Gormley

January 16, 2009
VentureWire
New Money

Hydra Biosciences Inc., which seeks to treat pain, pulmonary diseases and other conditions with drugs targeting ion channels, has raised a \$22.2 million round of Series D funding to move its initial compounds into clinical trials.

New investor MedImmune Ventures led the round, joined by return backers Abingworth Management, Advanced Technology Ventures, Biogen Idec Ventures, BioVentures Investors, Lilly Ventures and Polaris Venture Partners. The round closed on Dec. 31. Valuation was not disclosed. The Cambridge, Mass.-based company has now raised a total of \$69 million.

In 2007, Hydra received commitments for \$34 million in Series C financing. Instead of closing the second \$17 million tranche of the round, as planned, the company decided to raise a \$22.2 million Series D when MedImmune Ventures showed interest in investing, Chief Executive Russell Herndon said. He declined to discuss how long he expects this round last.

Ion channels, which enable ions to flow in and out of cells, are important for normal cell functioning. Aberrant ion-channel activity is implicated in many diseases, including hypertension, arrhythmias and pain. They also have proven to be good drug targets: Many marketed drugs work directly or indirectly on them, including sodium-channel blockers for pain.

Hydra takes aim at a type of ion channel that pharmaceutical companies haven't targeted before, known as transient receptor potential, or TRP. Hydra contends that it will be able to develop potent drugs that hit only the ion channels of interest, minimizing side effects. Hydra's drugs for pain will not block narcotics receptors, Herndon said, so they are less likely to promote tolerance or addiction than opioid narcotics.

This year, Hydra plans to move an oral compound for the treatment of pain into Phase Ia trials, which will be quickly followed by Phase Ib studies. The initial study will be in healthy volunteers. In Phase II trials, expected to begin in 2010, it plans to treat patients with post-surgical, neuropathic or inflammatory pain. Hydra also has a TRP ion channel drug in early development that may be useful for asthma.

Joining the Hydra board is Karen Gotting-Smith, vice president, development business performance and continuous improvement, for AstraZeneca PLC. When determining who will join the board of a portfolio company, MedImmune Ventures seeks to find someone within MedImmune, or parent AstraZeneca, well-suited to that business, said Maggie LeFlore, managing director of MedImmune Ventures. Gotting-Smith's experience in clinical development should be beneficial to Hydra, which is transitioning from a research-stage to development-stage business, LeFlore said.

<http://www.hydrabiosciences.com>

It contends it will be able to develop potent drugs with minimal side effects.