

Chinese investors jump into \$70 million round for early-stage S.F. cancer-fighting company

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Ron Leuty *San Francisco Business Times*

Cancer-fighting startup Tempest Therapeutics Inc., spun out of Versant Ventures' drug-discovery labs, raised \$70 million in a Series B round that included three China-based venture funds.

Year-old Tempest, based in San Francisco, already has a portfolio of four drugs, including at least two it expects to enter the clinic next year in the fast-evolving field of cancer immunotherapy.

The funding round was led by Versant, but Tempest CEO Tom Dubensky said a third of the fundraiser comes from the Chinese funds: Quan Capital, Eight Roads Ventures and Lilly Asia Ventures. The investors, he said, can point Tempest to clinical trial sites and "thought leaders" and give guidance about navigating China's drug regulation agency.

"If (cancer immunotherapy) is valuable in the U.S., it's exploding in China," Dubensky said.

"We can't wait until after we have clinical data in the U.S. We have the right group here and we're doing a lot of groundwork today in parallel to advance our molecules in China."

Stella Xu, managing director of Quan Capital, as well as Versant's Tom Woiwode and F-Prime's Robert Weisskoff will join Tempest's board.

One of Tempest's strengths, Dubensky said, is that its diversity of experimental drugs designed to tap into some of the hottest – and competitive – areas of immunotherapy. The field has taken off over the past four years or so companies try to line up the next big drug that can stand alone or work in combination with other drugs.

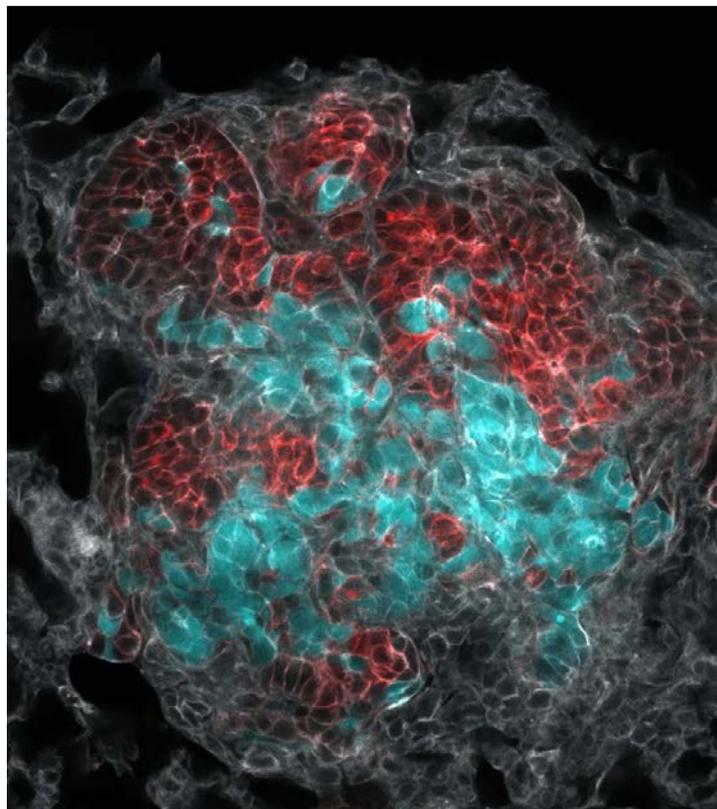
"There's still so far to go (with immunotherapy)," Dubensky said.

TPST-8844, for one, targets IDO, an enzyme that tumor cells produce to shut down infection-fighting T cells in the tumor microenvironment. That drug is expected to enter the clinic early next year, Dubensky said, and could be combined with so-called "checkpoint inhibitors" that remove the brakes that tumor cells apply to evade detection by the immune system.

Another potential drug, called TPST-1120, when it enters the clinic in the second half of next year could be the first drug that blocks what's known as the PPAR-alpha pathway. That promotes a tumor's own metabolism to activate immune "effector cells" that are critical to fighting tumors.

A third wannabe drug, zeros in on prostaglandin, a group of hormone-like fatty acid compounds that suppress the immune system.

Those drugs and another lined up by Tempest were discovered in Versant's Inception Sciences lab, led by Peppi Prasit in Southern California. Inception continues to work with Tempest, which is located just down the hall from Versant's downtown San Francisco offices.



An image of a lung metastasis showing two types of cancer cells in red and blue.

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"This isn't an instance where Inception just threw over the fence a bunch of small molecules to develop," said Dubensky, who most recently as chief scientific officer of Berkeley's Aduro Biotech Inc. (NASDAQ: ADRO) led the development of that company's program to develop a drug targeting STING, a protein key to helping the immune system recognize cancer cells.

Tempest, which has six employees, looks to grow to 15-20 by the end of next year, Dubensky said.