BIOPHARMA DIVE

Taysha gets cash lifeline from new investor RA Capital

The $150 million private investment in public equity will extend Taysha's operating runway from early next year to late 2025.

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Taysha Gene Therapies is raising fresh funds from a consortium of a dozen investors that will allow it to continue operating well into 2025, extending its cash runway by about 18 months.

Led by RA Capital Management, the private placement financing is expected to close by Wednesday and raise about $150 million in gross proceeds for Taysha. The company held just over $45 million in cash at the end of June.

News of the financing, which will help fund Taysha's development of a gene therapy for Rett syndrome, sent shares in the company soaring Monday morning. The Texas-based drug developer is still valued at less than $100 million, however.

Also on Monday, Taysha reported initial clinical results from the first Rett patient treated with the company's therapy, TSHA-102, in a Phase 1/2 clinical trial. According to the company, the therapy was well-tolerated by the patient, with no serious adverse events reported through six weeks post treatment. Initial data also suggested some clinical improvement.

Taysha plans to treat a second patient in the study in the third quarter.

“We were largely expecting this to be a ‘check the box’ on safety readout, but we’re pleasantly surprised to hear some promising effects, considering the patient was far along in disease progression, and it was [a] low dose,” wrote Cantor Fitzgerald analyst Kristen Kluska in a Monday note to clients.

Taysha is a little more than a year on from a business reorganization in which it trimmed its research pipeline and laid off approximately one-third of its workforce. The restructuring was a notable retreat from the company’s initial plans to advance more than a dozen genetic medicine programs.

Instead, Taysha chose to focus on research into Rett, an inherited neurological disorder that affects girls, and another central nervous system condition called general axonal neuropathy.

In December, the company shook things up further, replacing CEO RA Session II with current chief executive Sean Nolan, who had been serving as chairman of the board.

Taysha’s difficulties have come as other gene therapy developers have struggled to attract new funding and deliver on ambitious development goals. More broadly, young biotechnology companies are facing a weaker market that’s forced many to cut costs and lay off staff over the past year.