



# Star Therapeutics adds another \$90M to grow its galaxy of drug startups

The “hub-and-spoke” biotech has already formed two offshoots, and aims to start up more with the additional funding.

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Gwendolyn Wu  
Reporter

*One of Star Therapeutics' subsidiaries, Vega Therapeutics, is named after the brightest star in the constellation Lyra. Franco Tognarini via Getty Images*

Star Therapeutics, a biotechnology company building a group of single-drug startups, has raised \$90 million to fund and grow its portfolio of subsidiaries.

Some of the Series C round announced Tuesday will support one of the spinouts Star has already launched, a company called Vega Therapeutics. The rest will be used to develop new drug candidates and, subsequently, the startups it creates around them.

According to Star CEO Adam Rosenthal, those companies will be working on drugs for blood or immune diseases. “We tend to go into areas of ‘white space’ because we are comfortable and experienced in exploring novel biology,” he said in an email.

One example is Vega. Its treatment, dubbed VGA039, is designed to restore production of a blood-clotting enzyme by targeting a molecule known as protein S. The company is testing it in a Phase 1 trial for the blood disorder von Willebrand disease. It envisions the therapy as a long-lasting, preventive therapy delivered through a

subcutaneous injection, much like Roche's Hemlibra for hemophilia A.

Vega expects to complete the study by the end of 2024, according to a federal clinical trials database. The offshoot, launched in December, was backed by \$40 million from Star and other investors.



*Adam Rosenthal, Star Therapeutics' CEO, is also co-founder and head of Vega and Electra.*

*Permission granted by Star Therapeutics*

The other subsidiary Star has publicly disclosed is called Electra Therapeutics. The startup is developing an antibody treatment in early human testing for an inflammatory condition called secondary hemophagocytic lymphohistiocytosis, and preclinically for other immune diseases. Results from the Phase 1 trial could come by the end of the year.

Star and its subsidiaries are all based in the San Francisco Bay Area.

Since its inception Star has now raised \$190 million in financing. Its most recent round was led by Sofinnova Investments, with participation from new and existing investors such as Qatar Investment Authority, Westlake Village BioPartners and OrbiMed. Six new investors joined the round, Rosenthal said.

“We believe this is a testament to our business model for homegrown innovation and rapid advancement of clinical candidates,” he said.

Unlike most biotechs, which develop their business around one or many drugs, or even a drugmaking platform, Star functions as a central hub around which its various subsidiaries orbit. Each offshoot is given funding to research a single experimental therapy for a range of potential diseases.

That approach makes Star one of several hub-and-spoke biotechs, which typically own a network of drugmaking subsidiaries or experimental medicines that can be hived off and sold individually. Some of the best known are Roivant Sciences, PureTech Health, Nimbus Therapeutics and BridgeBio Pharma.

More recently, a newer entrant, Paragon Therapeutics, spun out Apogee Therapeutics and fast-tracked the company to an initial public offering in less than a year.