



## DIVE BRIEF

# Cell therapy developer closes funding round to support diabetes program

Attempting to transform diabetes treatment, Seraxis has raised more than \$50 million from a series of investors that includes Eli Lilly.

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*Insulin (light orange) binding induces structural changes within the receptor, which activates a signal cascade leading to the transport of glucose (yellow) into the cell through glucose transporter proteins (red). selvanegra via Getty Images*

**Dive Brief:**

- Seraxis, a cell therapy company aiming to cure insulin-dependent diabetes, closed a second round of venture capital financing, bringing the total equity investment in the company to more than \$50 million.
- Investors included one of the most prominent players in the diabetes market, Eli Lilly, along with Frazier Life Sciences, Polaris Partners and the JDRF T1D Fund. The company attracted the latest infusion of cash after reaching preclinical milestones for its lead therapy.
- Seraxis also announced Thursday the hiring of Ted Hibben as chief corporate development officer. Hibben, a veteran of a number of biotech executive suites, will lead external business and commercial initiatives, the company said.

**Dive Insight:**

Like many biotechnology companies, Seraxis has an ambitious aim.

The company wants to transform the lives of millions of diabetics who must take insulin every day to control their blood sugar levels. Its approach: use a stem cell line generated from human pancreas to produce groups of cells known as organoids that can replicate the work of an organ.

Specifically, Seraxis is focusing on the production of insulin to control glucose levels. The biotech says its cells are as potent as ones normally found in a healthy pancreas and have been able to reverse diabetes in rats and mice.

Seraxis plans to implant its cell therapy, dubbed SR-02, in humans who will be taking drugs to keep their bodies from rejecting a foreign substance, similar to the treatment a patient would get after receiving a full organ transplant. A “proof-of-concept” trial is expected to begin next year.

The next step would be packaging the therapy in a device called SeraGraft to allow use in patients without the need for immunosuppressive medicines. Seraxis calls this combination SR-01.

The idea of fundamentally altering diabetes at the cellular level has drawn interest from companies big and small. In June, CellTrans won the first Food and Drug Administration approval for a cellular therapy to treat type 1 diabetes. Regulators cleared the treatment, called Lantidra, for patients who suffer from repeated severe episodes of low blood sugar while trying to manage their diabetes.

Elsewhere, Vertex Pharmaceuticals last year agreed to pay \$320 million for ViaCyte, a privately held developer of stem cell-derived

therapies for diabetes, after shelling out \$950 million for Semma Therapeutics in 2019. And Lilly in June announced plans to buy cell therapy developer Sigilon Therapeutics after working with the company on type 1 diabetes treatments.

Novo Nordisk and AstraZeneca, meanwhile, have both entered new collaborations in the space this year.