

From the Triangle Business Journal:

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## Why a Raleigh drugmaker thinks it can raise \$100M in 2020

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A stealthy Triangle pharmaceutical company has brought in \$5.6 million – adding to \$21 million in prior investments and clearing a runway to bring its candidate to market next year.

Marius Pharmaceuticals, a Raleigh-based drug development company developing an oral testosterone replacement therapy, has announced a \$5.6 million fundraising round in which 16 investors participated.

That funding is the second for the company, which was launched in early 2017 thanks a \$21 million fundraising round led by Shah Capital – a Raleigh-based private equity investment fund with about \$300 million in assets under management.

Shalin Shah, Marius' CFO and the director of private investments for Shah Capital, says the newest funding will finance Marius through the remaining phase III trial of its lead candidate.

Shah says the drug is based on the work of the company's scientific leadership – all former GlaxoSmithKline researchers who came together to develop the drug.

Shah says the company has already seen promising data – which received orphan status from the U.S. Food and Drug Administration – and expects to submit a new drug application in the first quarter next year.

Following that, the company plans to make an ambitious play, morphing into a full-fledge commercial operation to market the drug. Shah says the company believes independently commercializing the drug is more advantageous than other exit strategies.

"The key is the expansion beyond, I think we see indication expansion with this asset," he says. "We see a lot of inefficiencies at large pharma today . . . you see that in a lot of big corporates – small, nimble guys have a different perspective on the world which works out. Big guys can go acquire stuff, fail and put it to the side, versus we're going to be laser focused on executing this asset."

That strategy will require a fundamental transformation of the small company, which Shah says employee just a handful for its research efforts. Within a couple years, he says the company is estimating



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A pipette and test tube array used in life sciences and biotech.

to employ as many as 100 employees, though the exact number is subject to change with its marketing strategy.

To fund those efforts, another financing round is planned for the second quarter of 2020, during which Shah says the company is looking to bring in as much as \$100 million. His confidence he says, is based on the market numbers for an unmet need.

According to company data, roughly 5.6 million patients in the U.S. are symptomatic of Hypogonadism – a condition that can result in lowered testosterone production. Marius estimates only 1.4 million are on treatments, which are more expensive and less convenient for patients. By developing Marius' drug, the company believes it can convert not only a sizable portion of patient currently on treatments, but convince more by increasing the ease of access.

“I think it’s just looking at the market and where Marius can play in that,” he says. “Potential best in class treatment to a severely underpenetrated market – it doesn’t take us a whole lot to get us to a very healthy topline.”

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