

# **Novartis employs creative deal structure to establish Borealis Biosciences – divests legacy Chinook site, invests to form new company and engages in R&D collaboration**

Novartis announced it has partnered with Versant Ventures (Versant) to form Borealis Biosciences (Borealis), an independent, discovery-stage biotechnology company based in Vancouver, Canada, focused on developing next-generation xRNA-based medicines for kidney diseases. xRNA, a core technology platform for Novartis, can target the body's natural mRNA to modulate the production of proteins that cause disease.

Aug 22, 2024

- *Collaboration with Versant Ventures creates Borealis Biosciences, which will focus on discovering next-generation xRNA medicines for kidney diseases*
- *Novartis has option to acquire two future development-ready programs to augment its renal portfolio, a strategic area of focus for the company*
- *Borealis builds on legacy scientific talent from Novartis acquisition of Chinook Therapeutics, aiding in possibility and speed of successful early drug discovery*

Borealis stems from the success of Chinook Therapeutics, a kidney disease company founded by Versant in 2019 and acquired by Novartis in 2023. Following the acquisition, Novartis quickly recognized the substantial scientific potential of legacy Chinook early research talent, site facilities and capabilities in Vancouver, and came together to finance the launch of Borealis.

“Accelerating science is our north star at Novartis. The creation of Borealis as an independent follow-on company to Chinook represents a creative approach to deal-structuring as a means to furthering innovative scientific discovery,” said Ronny Gal, Chief Strategy & Growth Officer of Novartis. “A first of its kind for Novartis, this three-part transaction of divestment, collaboration and investment is a testament to our company’s unwavering focus on advancing renal science.”

Borealis has emerged from stealth with combined Series A financing from Novartis and Versant, and Novartis has transferred certain employees and the Vancouver site to Borealis, enabling the continuation of drug discovery efforts by certain former researchers of Chinook. This will allow for opportunity to create an environment best positioned for the founding team to progress cutting-edge renal and xRNA science, ultimately, increasing the possibility and speed of successful discovery of new medicines in renal diseases.

An additional part of this deal includes a near-term research funding agreement, which provides Novartis the option to acquire two future development-ready programs under pre-agreed terms, complementing its core strategic priorities in renal medicine and xRNA technology platform innovation.

“Working with leading pharmaceutical players to launch biotechs and form early collaborations is an important pillar of Versant’s investment strategy,” said Jerel Davis, Ph.D., managing director at Versant. “Together with Novartis, we look forward to advancing this emerging field of innovation for patients.”

## Novartis commitment in kidney diseases

As a focused medicines company, Novartis aims to transform the lives of people living with kidney disease, as part of our company's core Cardiovascular-Renal-Metabolic Therapeutic Area. We are actively exploring a wide range of clinical- and preclinical-stage approaches to address unmet patient needs in conditions such as IgAN, complement 3 glomerulopathy, atypical hemolytic uremic syndrome, immune complex membranoproliferative glomerulonephritis and lupus nephritis. Innovative treatment options that target the underlying causes of these diseases may preserve kidney function and help people live longer without the need for dialysis or transplantation.

### About xRNA at Novartis

To seek out new drug targets and design medicines with the potential to treat diseases with high unmet patient needs, Novartis is committed to innovating therapeutic options through our xRNA technology platform, which can target the body's natural mRNA to modulate the production of proteins that cause disease. siRNA, or "small interfering" RNA is one approach leveraged by Novartis to silence the production of specific proteins that cause, or are involved in causing, disease.

### About Borealis Biosciences

Borealis was founded on the premise that a convergence of scientific and translational breakthroughs is enabling the field of RNA medicines to treat kidney diseases and beyond. These include an improved understanding of patient stratification, genetically defined targets, requirements for delivery of therapeutic payloads to specific kidney cell types, and RNA chemistry advancements.

The company is backed by founding investor Versant Ventures and Novartis and has a strategic research collaboration with Novartis. Borealis' research site is based in Vancouver at the 23 000 square foot operating site formerly leased by Chinook. The facility includes state-of-the-art wet labs for molecular and cellular biology, vivarium space, chemistry and analytical capabilities. The initial 25+ team is made up of experienced drug hunters with extensive expertise in kidney disease, translational systems biology and data sciences, translational biology, chemistry, DMPK and pharmacology.

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#### List of links present in page

1. <https://prod1.novartis.com/news/novartis-employs-creative-deal-structure-establish-borealis-biosciences-divests-legacy-chinook-site-invests-form-new-company-and-engages-rd-collaboration>