Tern Therapeutics Launches with $15 Million Financing and Pipeline in CLN2 Batten Disease

- *Acquisition of programs from REGENXBIO Inc. form initial therapeutic pipeline*
- *Lead candidate is TTX-381, a novel, one-time investigational gene therapy for the treatment of the ocular manifestations of CLN2 Batten disease*
- *$15 million funding round to accelerate ongoing clinical testing of TTX-381 and advance pipeline*

WASHINGTON, DC, August 27, 2024 —Tern Therapeutics, LLC ("Tern"), a biotechnology company developing transformative one-time gene therapies for rare diseases, today announced its launch and closing of a $15 million financing. Concurrently, Tern also announced that it has entered into a global licensing agreement with REGENXBIO Inc. ("REGENXBIO") for RGX-381 and RGX-181 (now designated TTX-381 and 181, respectively) to form its initial therapeutic pipeline. TTX-381 and TTX-181 are novel one-time gene therapy products being developed for the treatment of the ocular and central nervous system (CNS) manifestations CLN2 disease, a form of Batten disease. The financing will be used to accelerate the ongoing clinical testing of the company's lead candidate, TTX-381, and advance its pipeline.

Tern management has deep expertise in the life sciences industry, specifically in gene therapy and ophthalmology. Founders Alex M. Bailey, PhD, Chief Executive Officer, and Christina Ohnsman, MD, Chief Medical Officer, were integral leaders in the CLN2 Batten disease programs at REGENXBIO. Bailey was previously Head of Early Program and Portfolio Development at REGENXBIO and held a leadership role at the Center for Biologics Evaluation and Research (CBER) within the United States Food & Drug Administration (FDA). Ohnsman was Executive Director of Clinical Development at REGENXBIO and previously served on the faculty of Wills Eye Hospital in Philadelphia and provided strategic consulting to ophthalmic biopharma, gene therapy, and device companies. Tern founder and Chief Financial and Administrative Officer Matthew Rosini was Head of Strategic Initiatives at REGENXBIO and previously was a Partner at FoxKiser LLP, a law firm providing strategic consulting and legal advice to life sciences clients.

"We're driven to deliver transformative treatments to patients living with rare diseases and are excited to continue the work we started at REGENXBIO. No one knows these programs better than the team we've assembled at Tern, and we deeply appreciate the confidence and trust that REGENXBIO and the patient community have placed in us to lead the next phase of development of these promising investigational therapies," said Bailey.

"We founded Tern Therapeutics out of a deep personal commitment to serving patients with high unmet needs. Children with CLN2 and their families have long been waiting for treatment with gene therapy. This financing will allow us to advance our lead candidate, TTX-381, through the clinic as rapidly as possible," said Ohnsman.

The investment was led by ATW Partners and biotech investor Steve Oliveira, head of Nemean Asset Management. "We are thrilled to partner with the talented team at Tern and look forward to making a meaningful difference in the lives of CLN2 patients," said Oliveira. Kerry Propper, Founder and Managing Partner of ATW Partners, added, "We are especially excited to support Tern's mission to work towards a cure for blindness in children with CLN2, a devastating aspect of the disease."

Patient communities are central to Tern's approach to the development of investigational therapies, including partnerships with the Batten Disease Family Association (BDFA); Batten Disease Support, Research, & Advocacy (BDSRA); BDSRA Australia; and other patient advocacy organizations.

BDFA CEO Liz Brownnutt said, “As the only patient organisation in the UK for families affected by Batten disease, we understand the profound and long-lasting impact that Batten disease has on patients and their loved ones, and we are acutely aware of the urgent need for effective treatments to alleviate the suffering caused by this devastating condition. We are therefore delighted that Tern Therapeutics plans to advance the CLN2 programs and we look forward to the further development of the ocular trial here in the UK. We believe that with their unique qualifications and capabilities, this team has the potential to extend hope for patients and families living with CLN2 Batten disease.”

BDSRA President and CEO Amy Fenton Parker said, “This development is incredibly encouraging for our CLN2 community. The transition of both gene therapy programs to the Tern Therapeutics team, who are already so familiar with the programs and connected to our CLN2 community, is invaluable for the seamless continuity and advancement of this clinical research.” Ineka Whiteman, PhD, Head of Research & Medical Affairs for BDSRA USA and BDSRA Australia, added, “We cannot conceive of a more qualified team for these programs and BDSRA Foundation continues to offer its support and collaboration to Tern Therapeutics to ensure these programs continue advancing as swiftly and effectively as possible.”

TTX-381 is an investigational one-time AAV gene therapy designed to deliver a working copy of the *TPP1* gene directly to the retina, potentially providing a durable source of TPP1 activity intended to maintain the health of the retina and address vision loss in people with CLN2 disease. The safety and tolerability of TTX-381, as well as its effect on retinal anatomic and functional outcomes, is being evaluated in a first-in-human, open-label, dose escalation Phase I/II clinical trial at Great Ormond Street Hospital in London, UK.

TTX-181 is an investigational one-time AAV gene therapy designed to deliver a working copy of the *TPP1* gene directly to the central nervous system (CNS), potentially providing sustained levels of TPP1 intended to prevent worsening of neurological degeneration in people with CLN2 disease. In late 2022, physician investigators at the Hospital de Clinicas in Porto Alegre, Brazil dosed a child with CLN2 Batten disease with TTX-181 in a single-patient, investigator-initiated study.

ABOUT TERN THERAPEUTICS

TERN THERAPEUTICS is a privately-held biotechnology company founded in 2023 with a new vision for speeding the development of transformative, one-time gene therapy medicines for rare diseases. Guided by a team of leading physicians, scientists, and business leaders and in collaboration with patient communities, we are driven to deliver transformative treatments with urgency to those living around the world with rare diseases. For more information about Tern Therapeutics, please visit **WWW.TERNTX.COM**.

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