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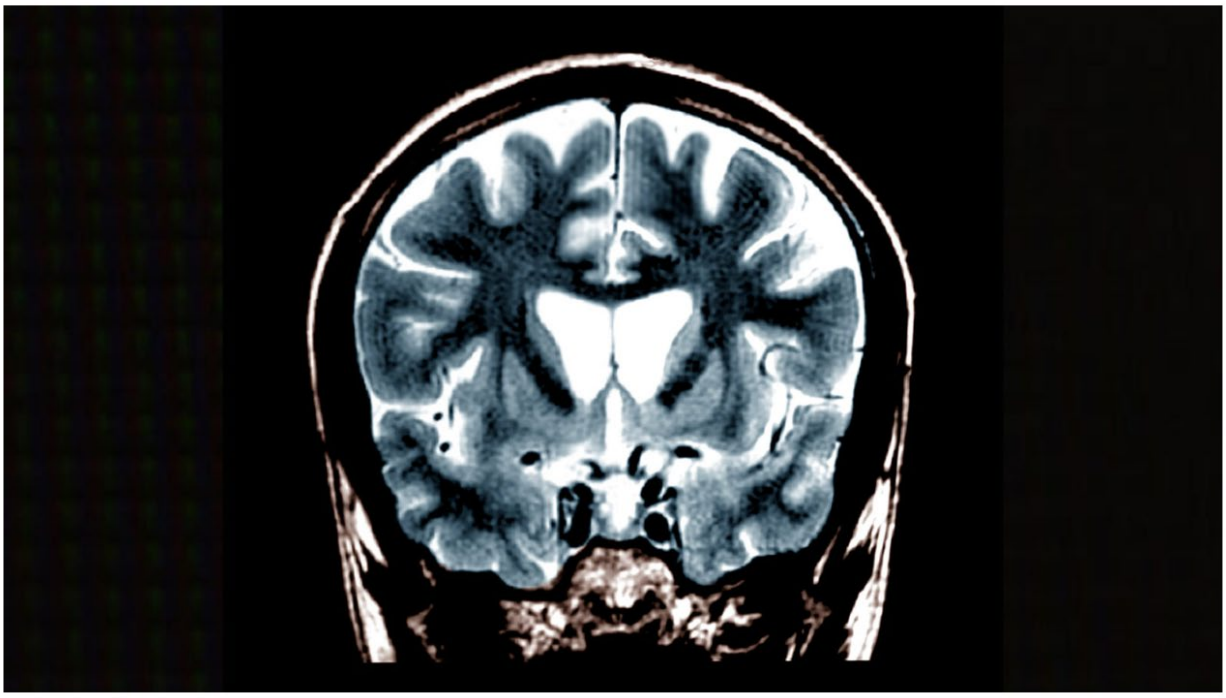
Biotech raises $42 million to run Huntington's disease trial

Latus Bio plans to seek FDA permission to start the clinical trial in the next few months



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By Allison DeAngelis May 4, 2026

Biotech Startups and Venture Capital Reporter

Gene therapy startup Latus Bio has raised another $42 million to start its first clinical trials, where it will try to sidestep issues that have set back a more advanced competitor.

Latus is moving two treatments through clinical trials this year. The first is for a form of Batten disease called CLN2 disease, a fatal genetic condition that causes seizures, vision loss, and cognitive problems. The company anticipates having initial clinical data by the end of the year.

Now, Latus — founded by Beverly Davidson, chief scientific strategy officer at the Children's Hospital of Philadelphia — is turning its attention to a second drug candidate, a gene therapy for Huntington's disease.

Huntington's disease is caused by a mutation to the huntingtin or HTT gene that creates a sort of genetic stutter, repeating and destabilizing the gene.

Most drug developers hone in on the HTT gene in an effort to treat the condition, which causes involuntary muscle movements, difficulty swallowing, and cognitive issues. Latus is taking a different approach, focusing on a gene called MSH3. Research has indicated that reducing or quieting this gene reduces the number of HTT repeats, correcting the genetic skipping that causes Huntington's.

Kiersten Stead, managing partner at Latus' investor DCVC Bio, believes targeting MSH3 will be transformative for patients.

Both of Latus' treatments are designed to be injected directly into the brain during an in-hospital surgical procedure. So, too, is the Huntington's gene therapy developed by UniQure, which has stirred regulatory debate over the last few months.

UniQure had hoped to file for an accelerated approval of its gene therapy based on a clinical trial that showed the treatment, AMT-130, dramatically slowed disease progression. But the FDA has taken issue with the company's single-arm clinical trial, which compared the drug's effect to external data from a natural history study of Huntington's patients, rather than a placebo group.

Latus CEO Peter Ghoroghchian is an emphatic supporter of UniQure and its medicine. "We absolutely very much believe that AMT-130 is working, and that, you know, we would love to see AMT-130 approved as an option for Huntington's disease patients, and, frankly, to advance our field," he said. But he also said that when he looked closely at the data, he saw a potential mismatch between the group of people UniQure treated and the natural history data.

UniQure's drug is injected into the striatum, a region deep in the brain that regulates movement, cognitive functions, and mood. This area is hit hard by Huntington's disease and degrades as the disorder progresses. UniQure's clinical trial excluded patients whose striatum had shrunk beyond a certain point, but the Enroll-HD natural history data set the company used doesn't include striatum measurements, according to Ghoroghchian.

"If you have to be extraordinarily critical and try to make a devil's advocate argument … the striatal volume was maybe one thing that made the analysis a little bit more difficult, or maybe not as like, head-to-head," he said.

UniQure did not respond to a request for comment.

Latus' drug is injected into a different part of the brain, one that is preserved longer as the disease progresses. That means Latus won't need to exclude patients in the same way

UniQure did, allowing for cleaner comparison with a natural history group. “We believe strongly, in this case, that natural history is relevant for us,” Ghoroghchian said.

The company anticipates seeking FDA permission to start the Huntington’s trial in the next few months.

Latus compiled the money for its two clinical trials through a Series A extension, adding to the $54 million the company raised in 2024 when it launched. The extension was led by 8VC, and included money from DCVC Bio, BioAdvance, Modi Ventures, and Benjamin Franklin Technology Partners.

Extensions or bridge rounds allow startups to raise more money, generally at the same valuation and terms as the original fundraising. They are becoming more and more common in biotech, particularly for young companies that have already raised what’s known as a Series A round — usually the first major collection of money from venture capitalists — but haven’t yet begun clinical trials.

A few years ago, it wasn’t uncommon for startups to raise multiple rounds of money before starting clinical trials. That’s changed — venture capitalists have flocked to ventures that are built around clinical-stage drugs from China or cast off by pharmaceutical companies. “I tell all of our companies that Series B means ‘B in the clinic,’” Stead said.

Meanwhile, a dark cloud has lingered over the gene therapy field, as some of Latus’ contemporaries were hit with clinical trial flops or worse, trial participant deaths.

It became obvious that, in order to raise a Series B round, Latus needed safety data and an early look at the drugs’ effects in humans. Stead said that Latus’ original investors were happy to “stuff the goose” and invest more money, based on the promising preclinical data the company has collected.

Now, it’s Latus’ turn to discover whether it will flounder or flourish.

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