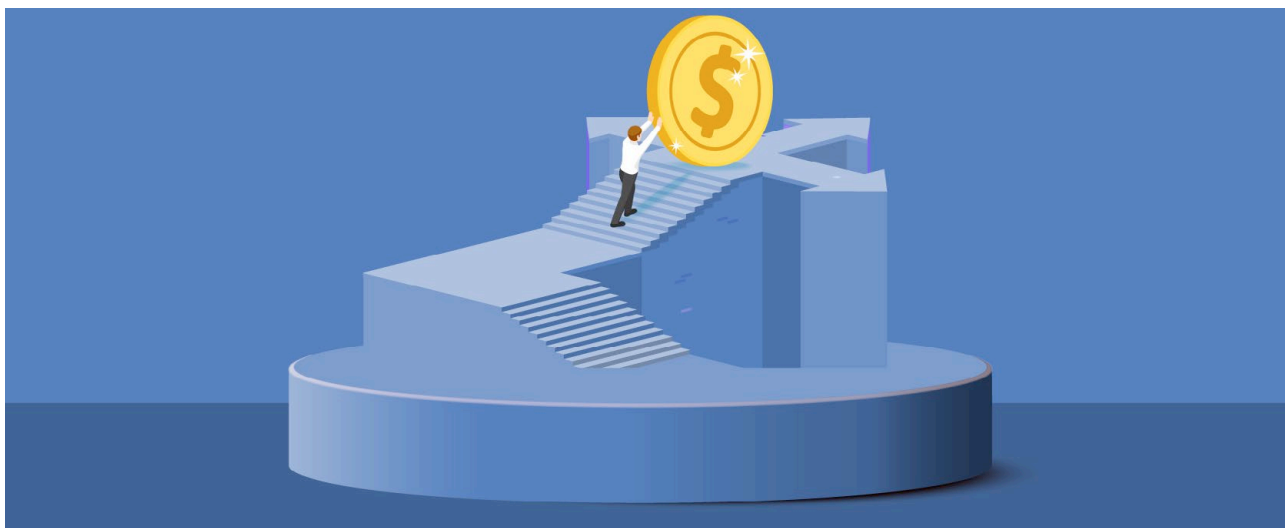


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Lukatch, Cochran backing West Coast spinouts with Red Tree's \$272M first fund

BY PAUL BONANOS, ASSOCIATE EDITOR



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Co-founded by veteran venture investor Heath Lukatch and Stanford professor Jennifer Cochran, new biotech venture firm Red Tree expects to invest its \$272 million first fund in early-stage, West Coast-based academic spinouts, with an emphasis on backing female co-founders and CEOs.

Bay Area-based Red Tree Venture Capital said early Thursday it had closed its Fund I, two years after the firm launched quietly. The firm has already backed 10 start-ups and expanded its team to five investment professionals.

Lukatch, a former partner at TPG and Novo Ventures, told BioCentury that he and Cochran saw that several Massachusetts firms had close ties to Harvard University and the Massachusetts Institute of Technology, and sought to create a similar firm that would draw on academic research coming out of U.S. West Coast institutions. He named Atlas Venture, Third Rock Ventures, Flagship Pioneering and Polaris Partners as East Coast firms on which Red Tree was modeled.

Although he said Cochran has never been a VC before, Lukatch said she has been a serial entrepreneur and has helped launch companies. A Stanford University professor

since 2005, Cochran took a leave of absence in 2015-17 to act as an entrepreneur, serving as chief scientist at biotech incubator Lagunita Biosciences. She is chair of bioengineering at Stanford, and she will be Red Tree's chief scientific adviser.

The team has created a scientific advisory board, beginning with members affiliated with Stanford and the University of California San Francisco. Over time, Red Tree hopes to add more SAB members from other West Coast institutions.

Generally, Red Tree intends to invest during biotech start-ups' early stages. The firm will at times create companies on its own as a seed investor, or may syndicate deals with other like-minded firms, Managing Director Jon Edwards told BioCentury. Edwards joined Red Tree in 2H20 after leaving European firm Medicxi and returning to the U.S.

Lukatch added that a minority of Red Tree's investments will go to later-stage or commercial companies. Many of those will be on the medical device side, where it will make about a fifth of its deals.

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Among 10 investments the firm has disclosed, Red Tree said more than half of its deals have been with companies founded or led by women. Lukatch stressed that as the firm seeks the highest-quality leadership for all of its portfolio companies, Red Tree's founders intend to remain strong advocates for gender diversity.

The firm declined to name any of its LPs, but Edwards said two "anchor investors" well-versed in the biotech industry were committed to Red Tree's launch. Lukatch said the LP base includes pension funds, foundations, university endowments, funds-of-funds, family offices and high-net-worth individuals.

The firm has hired a principal, veteran drug developer Krishna Polu, plus one junior investment professional. Polu

has been CMO at Equillum Inc. (NASDAQ:EQ), Raptor Pharmaceutical Corp. and CytomX Therapeutics Inc. (NASDAQ:CTMX), and was an entrepreneur-in-residence at Frazier Healthcare Partners.

Red Tree's early investments on the biopharma side include bispecifics developer Rondo Therapeutics Inc.; oncology companies Syncopation Life Sciences Inc., Sardona Therapeutics Inc. and Virsti Therapeutics Inc.; neuro-regeneration and hearing loss company Pipeline Therapeutics Inc.; allergy companies Alladapt Immunotherapeutics Inc. and Excellergy Therapeutics; and gene editing play Acrigen Biosciences Inc.

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