



## Kuano Raises £1.8M in Seed Funding to Accelerate Quantum Drug Discovery

- Led by Mercia Ventures, investors include ACF Investors, Ascension Ventures, o2h Ventures, Meltwind Advisory LLP, and Angel investors
- Funds will enable further growth and validation of Kuano's quantum simulation platform for enzyme targeted drug discovery

**Cambridge, UK, 12 September 2023:** Kuano, a drug discovery company combining quantum mechanics with AI to design the next generation of medicines, today announced the close of its £1.8M seed funding round, led by Mercia Ventures, and including ACF Investors, Ascension Ventures, o2h Ventures, Meltwind Advisory LLP, and other Angel investors. The investment will facilitate further validation of Kuano's quantum simulation platform for the design of more effective drug candidates targeting enzymes, as well as continued Company growth through strategic partnerships and recruitment.

Dysfunctional enzymes are implicated in many human diseases and are therefore a prevalent target in today's drug market. However, until now scientists have only been able to view enzymes in their 'resting' state, and not in their fully functioning 'dynamic' states. As different enzymes may appear very similar in a resting state, drugs designed to target one may also affect others, potentially impacting drug safety and efficacy.

Kuano's quantum simulation platform enables scientists to see and model enzymes in their dynamic state, opening new possibilities for more effective drug design. Combining these unique enzyme profiles with its suite of AI tools, Kuano can then predict the best structures with which to target them. Drug candidates designed this way are a precise match to the target enzyme, meaning that they are therefore likely to be more potent with fewer side effects. The platform has already been validated in three separate disease areas, including bowel cancer and lymphoma.

*"Enzymes play a wide-ranging role in disease, but current technologies are unable to develop drugs to tackle most of them. Our team at Kuano recognised the need to overcome these limitations." **Vid Stojevic, Co-founder and CEO, Kuano, said.** "Our platform creates a 'quantum lens' that reveals the difference between enzymes and allows us to target each one individually, without affecting the others. This funding round will not only allow us to continue our laboratory work, but also to strengthen our management team and prepare the Company for scaling."*

Kuano was co-founded in 2020 by Drs Vid Stojevic, an expert in quantum physics and AI, David Wright, who specialises in molecular modelling and simulation, Parminder Ruprah, a highly experienced 'drug hunter', and Jarryl D'Oyley, an expert computational medicinal chemist. The latest seed funding brings the total investment raised by Kuano to date to £2.8M. In this round, Mercia was investing from its EIS funds, and Kuano was advised by venture capital advisory firm KPMG Acceleris.

**Robert Hornby, Venture Capital Investor, Mercia, added:** *“Fewer than 20% of enzymes have so far been targeted by drugs because of the difficulty in understanding their dynamic states. Kuano’s quantum simulation platform goes beyond existing AI models and means they can design drugs for previously ‘undruggable’ enzymes. The Company addresses a huge untapped market and has already attracted the attention of leading pharmaceutical companies. This investment will enable it to move to the next stage.”*

**Tim Mills, Managing Partner, ACF Investors:** *“We are excited to be working with Kuano as they go from strength to strength. Artificial intelligence and quantum computing will continue to have a staggering effect on the way the biotech industry operates and Kuano’s quantum capabilities will be a core part of this. We are truly excited to see what Kuano does next.”*

To learn more about Kuano’s unique approach to structure-based drug discovery, please visit <https://www.kuano.ai/our-approach>.

**ENDS**

**Notes to Editors:**



*Vid Stojevic, Co-founder and CEO, Kuano*



*Robert Hornby, Venture Capital Investor, Mercia*



*Tim Mills, Managing Partner, ACF Investors*

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**About Kuano [www.kuano.ai](http://www.kuano.ai)**

Kuano is an artificial intelligence company using quantum simulations to create molecular design solutions to challenging enzyme targets. Enzymes represent the largest clinically and commercially validated class of drug targets. Over \$40bn of pharmaceutical sales are attributable to small molecule inhibitors of enzymes and yet there is considerable demand for enzyme inhibitors with improved potency, selectivity or reduced susceptibility to resistance.

Kuano has developed a proprietary *in silico* approach to modelling the unique quantum transition state of the catalytic site of enzymes, defining the quantum pharmacophore and coupling this to a quantum-computing inspired, AI/machine learning approach to discovering novel inhibitors. In the quantum transition state, fundamental physics and evolutionary biology combine to create the conditions necessary to give enzymes their exquisite selectivity and activity. Drugs designed specifically to target Kuano's proprietary quantum pharmacophores are predicted to have improved potency, selectivity and resistance to mutations compared to drugs designed using traditional approaches.

**About Mercia Asset Management PLC [www.mercia.co.uk](http://www.mercia.co.uk)**

Mercia is a proactive, specialist asset manager focused on supporting regional SMEs to achieve their growth aspirations. Mercia provides capital across its four asset classes of balance sheet, venture, private equity and debt capital: the Group's 'Complete Connected Capital'. The Group initially nurtures businesses via its third-party funds under management, then over time Mercia can provide further funding to the most promising companies, by deploying direct investment follow-on capital from its own balance sheet.

The Group has a strong UK footprint through its regional offices, 19 university partnerships and extensive personal networks, providing it with access to high-quality deal flow. Mercia currently has c. £1.4 billion of assets under management and, since its IPO in December 2014, has invested c. £111million gross into its direct investment portfolio.

The Group raises its own Enterprise Investment Scheme (EIS) Funds and manages Venture Capital Trusts (VCTs) details about open offers can be found through Mercia's website. Mercia Asset Management PLC is quoted on AIM with the epic "MERC" and includes the following wholly owned subsidiaries -

Mercia Fund Management Limited is authorised and regulated by the FCA under firm reference number 524856

Enterprise Ventures Limited is authorised and regulated by the FCA under firm reference number 183363

EV Business Loans Limited is authorised and regulated by the FCA under firm reference number 443560

**About ACF Investors [www.acfinvestors.com](http://www.acfinvestors.com)**

Launched in 2011, ACF Investors (formerly the Angel CoFund) is a privately managed and commercially focused venture capital fund that works alongside sector smart business angels to invest in high-potential SMEs across the UK, directly providing funding to support exceptional businesses.

To date, ACF Investors has supported 110 companies, including such names as Ebury, Gousto, Creo Medical, and Form3, providing more than £65 million in direct investment alongside more than £350 million from business angels and other investors, making it one of the most active early-stage investors in the country.

**About KPMG Acceleris [www.acceleris.com](http://www.acceleris.com)**

Kuano were advised by KPMG Acceleris, a venture capital advisory firm, that provides access to an active pool of investors to support investments of £1m to £30m+ and specialises in fundraising for high growth businesses seeking pre-seed to Series A finance. The firm has a particular focus on businesses in technology, life sciences and ESG-related sectors.