



Sparrow Pharmaceuticals Announces \$95 Million Series B Financing to Advance Targeted Therapy for Type 2 Diabetes

Funding supports Phase 2b development of clofutriben, a novel HSD-1 inhibitor, with a focus on cortisol-driven metabolic dysfunction in type 2 diabetes

Portland, OR — September 24, 2025 – [Sparrow Pharmaceuticals](#), a targeted cardiometabolic therapeutics company, today announced the close of a \$95 million Series B financing. The round was co-led by RA Capital Management and Forbion with participation from existing investors including OrbiMed, RiverVest, and US Venture Partners. In conjunction with the financing, Zach Scheiner from RA and Nanna Lüneborg from Forbion have joined Sparrow’s Board of Directors.

The proceeds will support development of the company’s lead candidate clofutriben for the treatment of type 2 diabetes (T2D) with elevated cortisol (EC). Based on strong biological rationale and rising clinical recognition, Sparrow is deploying a new mechanism to target a distinct population whose poor response to current T2D treatments is linked to excess cortisol. The company has advanced clofutriben into a Phase 2b trial in T2D with EC (CAPTAIN-T2D) with results expected in 2027.

“Nearly half of patients with difficult-to-control diabetes display increased cardiometabolic risk associated with elevated cortisol, yet there are no therapies approved for the vast majority of patients with T2D that address this underlying etiology,” said Frank Czerwec, M.D., Ph.D., Chief Medical Officer. “Prospective studies confirm what endocrinologists have long believed: excess cortisol can drive hyperglycemia by increasing gluconeogenesis, decreasing glucose uptake and disposal, and decreasing insulin synthesis and sensitivity, and thereby also impair the effectiveness of standard-of-care treatments. By directly targeting this causal and multifaceted biology, clofutriben may offer new hope for patients underserved by current therapies.”

“We are grateful to our investors whose support reflects strong conviction in Sparrow’s strategy and the clinical promise of clofutriben,” said Robert Jacks, President & Chief Executive Officer. “Elevated cortisol is now recognized as a key driver of disease progression and treatment resistance in millions of patients with type 2 diabetes worldwide. Our decision to focus on this patient population reflects a convergence of emerging biological insights, immense clinical opportunity, and payer and clinician receptivity. This significant financial commitment could enable the next big breakthrough in the management of metabolic syndrome.”

Clofutriben is a once-daily, oral HSD-1 inhibitor that modulates intracellular cortisol production in key metabolic tissues, a novel mechanism of action that has the potential to complement existing anti-diabetic therapies. In clinical trials, the candidate has shown improved glycemic control, including in individuals with elevated cortisol, with a favorable safety and tolerability profile and no evidence of adrenal insufficiency or requirement for dose titration. As an added possible benefit, HSD-1 inhibitors, including clofutriben, have also shown potential in clinical trials for improvement in weight and body composition, lipids, blood pressure, and markers of bone metabolism, as well as sleep and quality of life, as elevated cortisol contributes to a spectrum of metabolic dysfunction beyond poor glycemic control.

About CAPTAIN-T2D

CAPTAIN-T2D is a double-blind, Phase 2b trial evaluating clofutriben, a selective inhibitor of 11 β -hydroxysteroid dehydrogenase type-1 (HSD-1), to improve glycemic control and metabolic health in patients who have treatment-resistant type 2 diabetes (T2D) with elevated cortisol (EC). The trial will take place in two parts. Part 1 (Screening) will evaluate patients with T2D and EC risk factors for trial eligibility and the presence of EC. Participants deemed eligible from Part 1 will be randomized to either clofutriben or placebo in the dose-ranging, interventional Part 2 (Treatment). The primary endpoint is change in hemoglobin A1c (HbA1c) at 24 weeks. Exploratory endpoints include changes in body weight, blood pressure, cholesterol, and bone metabolism biomarkers.

About Sparrow Pharmaceuticals

Sparrow Pharmaceuticals is a targeted cardiometabolic therapeutics company delivering improved outcomes for patients who struggle to control diabetes and related metabolic conditions with current options. The company's lead candidate, clofutriben, is a once-daily, oral HSD-1 inhibitor in development for the millions of patients with type 2 diabetes and elevated cortisol. HSD-1 inhibition is a novel mechanism that complements existing antidiabetic agents by addressing a cause of disease progression and treatment resistance across a spectrum of metabolic dysfunction. Clofutriben has been associated with improved glycemic control while generally safe and well tolerated in multiple clinical trials without requiring dose titration. To learn more, visit <https://sparrowpharma.com/> or follow us on [LinkedIn](#).

About RA Capital Management

Founded in 2004, RA Capital Management is a multi-stage investment manager dedicated to evidence-based investing in public and private healthcare, life sciences, and planetary health companies. RA Capital creates and funds innovative companies, from private seed rounds to public follow-on financings, allowing management teams to drive value creation from inception through commercialization and beyond. RA Capital's knowledge engine is guided by our TechAtlas internal research division, and Raven, RA Capital's company creation team, offers entrepreneurs and innovators a collaborative

and comprehensive platform to explore the novel and the re-imagined. RA Capital has over 150 employees and over \$10 billion in assets under management.

<https://www.racap.com/>

About Forbion

Forbion is a leading venture capital firm that helps companies bridge research and development through the team's expertise in drug development and company building. Forbion is signatory to the United Nations Principles for Responsible Investment further demonstrating our philosophy that investments in companies should positively impact the health and well-being of patients. <https://forbion.com/en>

About OrbiMed

OrbiMed is a leading healthcare investment firm, with over \$17 billion in assets under management. OrbiMed invests globally across the healthcare industry, from start-ups to large multinational corporations, through private equity funds, public equity funds, and royalty/credit funds. OrbiMed seeks to be a capital provider of choice, providing tailored financing solutions and extensive global team resources to help build world-class healthcare companies. OrbiMed's team of over 130 professionals is based in New York City, London, San Francisco, Shanghai, Hong Kong, Mumbai, Herzliya, and other key global markets. <https://www.orbimed.com/>

About RiverVest

RiverVest Venture Partners® is a leading venture capital firm building life science companies to address significant unmet needs of patients and deliver consistently strong results to investors. <https://rivervest.com/>

About US Venture Partners

The USVP team foundation is grounded in four generations of high-technology venture investing. We are accomplished venture investors, former CEOs, senior executives and technology company founders that came together to take an exemplary firm into the 21st century. Together, we combine 150 years of operating experience and investment expertise with varied backgrounds in marketing, sales, operations, finance, engineering, computing, research and management. <https://www.usvp.com/>

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