

Press Release

Spun out from Conectus Alsace « Proof of Concept » program, Alms Therapeutics close a €15M Series A with Morningside and Cap Innov'Est

Strasbourg, September 26th, 2017. Alms Therapeutics, a newly created start-up, based on a Conectus « proof of concept » program representing over €550 000 investment, just closed one of the largest series A round for a newly created start-up in France : €15M invested by Morningside Ventures and Cap Innov'Est.

Alms Therapeutics: a breakthrough approach for treating type 2 diabetes

Alms Therapeutics, a start-up based on a program led by Vincent Marion, deputy head of « Laboratoire de Génétique Médicale de Strasbourg (UMRS1112 ; Unistra-Inserm - Institut de Génétique Médicale d'Alsace, Fédération de Médecine Translationnelle de Strasbourg), in collaboration with Nikolai Petrovsky, from Adelaide University (Australia), has discovered a new target for glycemic regulation.

This major discovery has been done in the context of « rare disease research », performed by the Medical Genetics Laboratory / UMRS U1112 INSERM.

This is a revolutionary discovery for type 2 diabetes patients: this first in class approach allow insulin resistant patients to reduce their blood sugar level by treating directly adipocytes, which have a central role in glucose homeostasis.

Alms Therapeutics will propose a more flexible and potent treatment for patients, with less side effects.

An attractive program thanks to Conectus « Proof of Concept » investment

Through a €550 000 investment on this ambitious program, both effectiveness and safety of this new treatment has been confirmed on animal models. With a « First in Man » in less than 24 months, the program was highly attractive for investors.

« Conectus' investment on this project gave my team the capacity to move forward much faster and to reduce the program's risks. We've thus been able to convince investors much faster » note Vincent Marion.

More funds, better conditions

Thanks to Alms maturity and a « First in Man » in 24 months, the start-up has managed to quickly close an important series A, sufficient to reach Proof of Concept in man.

« It is quite rare in France, for a « just created » start-up in biotech, to close such an important investment » highlight Jean Yves Bonnefoy, recently nominated Chairman & CEO of Alms Therapeutics. « Thanks to the quality of Vincent's science along with Conectus' investment the high potential of this therapeutic approach was confirmed, allowing for a large series A sufficient to reach the human Proof of Concept »

Alms high potential was indeed recognized earlier this year as it was granted the « special Jury Award » in ILabs 2017, the national competition for start-up creation.

Strasbourg, an attractive site for international investors

« Cap Innov'Est is very pleased of this important funding round which will enable Alms Therapeutics to fully focus on the development of a breakthrough approach in type 2 diabetes treatment. This closing is a vivid illustration of the crucial importance of Cap Innov'Est regional fund in its capacity to efficiently link scientific founders, our regional innovation ecosystem along with this important US venture fund » notes Jean François Rax, investment manager within Cap Innov'Est.

Morningside Ventures, which has an investment capacity of over 1B\$ in biotechnology, is the lead investor in Alms Therapeutics. Morningside invests in early-stage companies founded around novel life science and medical technology. « Alms is a company built upon break-through science in type 2 diabetes. We are very pleased to support the development of this technology, and to build ties with the Strasbourg region » concludes Gerald Chan, founder of Morningside Ventures.

« It is, beyond anything else, the quality of Vincent Marion scientific production, and its strong commitment towards the project's success, that led to this first success. Conectus' investment has raised the maturity level of the project in the context of the start-up creation. The quality and potential of the project has attracted a large US fund, in syndication with the local seed fund Cap Innov'Est, to anchor the start-up on our territory. This project is yet another illustration of our research organization capacity to create growth and jobs, out of their high quality research » highlights Nicolas Carboni, Chairman & CEO of Conectus Alsace. « This is why Strasbourg site, through Strasbourg University, has been ranked first University in Europe in the 2017 « Nature Innovation Index ». »

About Conectus Alsace www.satt.conectus.fr

SATT Conectus inc. is the Technology Transfer Office for all public research laboratories in Alsace region. Its academic shareholders (Université de Strasbourg, Université de Haute Alsace, INSA, ENGEES, CNRS, INSERM) represent over 7000 people working in laboratories, including 4 Nobel Price winners in activity. Conectus operate a 36M€ "Proof of Concept" fund financed by the "Investment for the Future" program through its shareholder, the "Caisse des Dépôts et Consignations". <http://www.conectus.fr/en>

About Alms Therapeutics

Alms Therapeutics is a pre-clinical stage private company developing peptide-based drugs for patients suffering from Type 2 diabetes patients. Alms Therapeutics proprietary product and technology offer a unique treatment option notably for insulin-resistant patients.

The company was cofounded by Dr. Vincent Marion, Associate Director of the Genetic Laboratory of Strasbourg, France (UMRS 1112 ; Unistra-Inserm - Institut de Génétique Médicale d'Alsace, Fédération de Médecine Translationnelle de Strasbourg), and Pr. Nikolai Petrovsky, Director of endocrinology at Flinders University from Adelaide in Australia, both worldwide key opinion leader in the field of metabolic diseases. Alms Therapeutics is backed by a solid, experienced team led by its President & CEO, Dr. Jean-Yves Bonnefoy, coming from the Pharma & Biotech industry. For more information, please visit www.alms-therapeutics.com.

About Morningside Ventures

Founded in Boston 30 years ago, Morningside is an active investor in venture-backed biotechnology start-ups. Licensing intellectual property from universities and research institutions, Morningside works with both academics and industry professionals to bring scientific discoveries into the clinic. The firm invests in novel therapeutic, diagnostics, and medical devices across many disease areas. For more information, visit www.morningside.com.

About Cap Innov'Est

Cap Innov'Est is a €36m (\$41m) tri-regional (Alsace, Bourgogne, Franche-Comté) fund dedicated to investing in young, innovative startups. Cap Innov'Est was launched in July 2014 and has already invested in 19 startups. Cap Innov'Est is managed by Capital Grand Est with its partner, Invest PME (Siparex group). Cap Innov'Est is supported by Fonds National d'Amorçage (National Seed Fund), three French regions (Alsace, Bourgogne and Franche-Comté), SAFIDI, Caisse d'Épargne d'Alsace and Bourgogne/Franche-Comté, BNP Paribas and CIFC.

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