

## **Drug Co. Allosteria Packs Up \$15M To Head To Clinic**

Montreal

By Lorie Konish, 7/9/2009

Biopharmaceutical company Allosteria Pharma Inc. has raised a C\$17 million (\$14.6 million) Series A round to take its first product for autoimmune diseases into clinical testing.

Investors in the round included BDC Venture Capital, Fonds Bio-Innovation, Genesys Capital, GO Capital and iNovia Capital. Valuation of the round, which closed July 8, was not disclosed. "It took probably at least six to nine months longer than it would have in a favorable market," Allosteria President and Chief Executive Mark Kaufmann said of the fund-raising, which took about a year and a half.

Montreal-based Allosteria plans to use the funding to advance the development of a new class of drugs, Allosteramers, or modified peptides targeted at having improved metabolic and pharmacokinetic properties. With the round, the company plans to take its lead treatment, APG2305, into clinical testing for autoimmune diseases including psoriasis. Allosteria's pipeline currently includes seven of its novel peptides focusing on inflammatory diseases including Crohn's disease, gout, Type II diabetes and rheumatoid arthritis.

The Series A round is scheduled to last Allosteria for three years, Kaufmann said, at which point the company anticipates it will have brought two of its candidates to Phase I. At that three-year point, the company may seek additional venture funding or a potential exit, according to Kaufmann. Prior to the Series A, Allosteria raised an undisclosed amount of debt through CQVB, or Centre Québécois de valorization des biotechnologies, and convertible debt from Fonds Bio-Innovation, MSBi Valorisation, Univalor and angel investors. The company also received grant funding through the Quebec Minister of Economic Development, Innovation and Export Trade.