



Elcelyx Therapeutics Extends Series B Financing for Late-Stage Clinical Programs in Weight Loss and Diabetes

SAN DIEGO, Aug. 13, 2012 /PRNewswire/ -- Elcelyx Therapeutics announced today that it has secured \$4 million of a \$7 million extension of its Series B private equity financing. Existing investors Morgenthaler Ventures, Kleiner Perkins Caufield & Byers and Technology Partners all participated in the extension. Founded in 2010, Elcelyx has raised a total of \$20 million, including the \$4 million, and advanced two product candidates for weight loss and the treatment of diabetes and obesity into late-stage clinical development. The new financing will support clinical trials for proprietary product candidates Lovidia™ for use in nutritional supplement, food and beverage applications, and NewMet™ for patients with Type 2 diabetes.

The Elcelyx team of seasoned drug developers believes that these two products have the potential to address the extreme need for safe approaches to treat diabetes and obesity and to help people lose weight. Elcelyx' first-in-class Gut Sensory Modulators (GSM) are delivered directly to the gut where they intensify the body's natural food-driven signals that trigger a sense of fullness and facilitate glucose regulation. This targeted approach greatly decreases the presence of the active ingredient in the bloodstream, which dramatically reduces side effects often seen with conventional therapeutics. Lovidia and NewMet are backed by rigorous science and clinical data demonstrating the candidates' ability to meaningfully reduce weight and improve glucose regulation without side effects, respectively.

"Elcelyx has zeroed in on the gut to exploit a key mechanism of satiety and glucose metabolism, and has quickly and efficiently advanced its programs to show promise as a supplement for weight loss and a treatment for diabetes," said Ralph "Chris" Christoffersen, Ph.D., Partner at Morgenthaler Ventures and Chairman of Elcelyx. "The company's dual-track strategy of developing dietary ingredients for weight loss and its cleverly formulated metformin for diabetes provide large-market, near-term opportunities that our investor syndicate couldn't miss," Dr. Christoffersen continued.

"The global epidemics of diabetes and obesity compel us to identify novel approaches to these diseases. Our premier investors will help us execute our strategy to develop ultra-safe solutions to obesity-related metabolic disorders for both the consumer and pharmaceutical markets," said Alain Baron, M.D., President and Chief Executive Officer of Elcelyx Therapeutics.

The company's nearest-term opportunity is Lovidia, a proprietary mix of Generally Recognized As Safe (GRAS)-designated dietary ingredients, targeted to the consumer market. Lovidia can be used for multiple applications including as a dietary supplement for weight loss and prediabetes, and as a food additive for satiety and lower glycemic index.

An early version of Lovidia demonstrated statistically significant progressive and sustained weight loss, with a threefold higher proportion of subjects losing 3 to 5 percent of their body weight compared to placebo in a 16-week study evaluating 121 obese subjects who did not alter their diet or exercise. Lovidia increased the body's production of natural satiety and gluco-regulatory gut hormones twofold; with the same number of calories, subjects had twice the satiety signal. The tolerability and safety profile of Lovidia was similar to placebo. Elcelyx is currently optimizing Lovidia and it is expected to be ready for commercialization in 2013.

Pharmaceutical product candidate NewMet is a delayed-release formulation of generic metformin, the #1 diabetes product in the U.S. By targeting this GSM to the lower gut and avoiding systemic absorption, Elcelyx expects NewMet to have low bioavailability with preserved efficacy. This makes NewMet appropriate for the large population of renally impaired patients with Type 2 diabetes that are excluded from taking metformin due to the risk of lactic acidosis, a life-threatening result of metformin build-up in the blood. NewMet is currently being evaluated in a dose-finding study in patients with Type 2 diabetes and in a pharmacokinetic study in Type 2 diabetes patients with renal impairment. Future development is planned in the broader Type 2 population and in obesity.

About Elcelyx Therapeutics

[Elcelyx Therapeutics](#) is developing ultra-safe products for weight management and obesity-related metabolic disorders based on the science of nutrient sensing. The Elcelyx first-in-class product candidates, Lovidia™ and NewMet™, are Gut Sensory Modulators backed by rigorous science and clinical data demonstrating their ability to rapidly reduce weight and improve glucose metabolism without systemic side effects, respectively. The products represent reduced-risk, near-term blockbuster opportunities in weight management and Type 2 diabetes with longer-term opportunities in obesity and prediabetes. Elcelyx is based in San Diego, CA. For more information, visit www.Elcelyx.com.

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