



December 18, 2019

Allysta Pharmaceuticals, Inc. Raises Additional \$5 Million in Series A Financing to Advance Novel Therapeutic for NASH

SAN MATEO, CA (ACCESSWIRE) Allysta Pharmaceuticals, Inc. (“Allysta”) today announced completion of an additional \$5 million Preferred Series A equity financing with Morningside Venture Investments Limited (“Morningside”), bringing the total commitment to \$20 million. Accordingly, Allysta continues to actively advance its compound ALY688, a first-in-class therapeutic peptide, for the treatment of nonalcoholic steatohepatitis (“NASH”) with plans to submit an investigational new drug application (“IND”) and initiate clinical studies in late 2020.

ALY688 is a novel peptide analogue of adiponectin, a natural protein, which has been shown to play an important role in protecting against insulin resistance, hepatic inflammation, fat accumulation and fibrosis of the liver. NASH is the most severe form of fatty liver disease stemming predominantly from obesity and diabetes, for which there are limited treatment options. The buildup of fat in the liver can cause inflammation and scarring over time and, in advanced cases, may lead to cirrhosis, liver failure and cancer. Currently, there are no approved drugs to treat NASH and with the rise of obesity worldwide, the number of people with NASH is expected to increase.

“We are very pleased to have the financial backing from Morningside to advance ALY688 for NASH into the clinic,” said CEO and President Henry Hsu, M.D. “Our goal is to have the first potent and specific therapeutic capable of activating adiponectin receptors enter clinical testing.”

About Morningside Venture Investments Limited

Morningside is a diversified investment group founded in 1986 by the Chan family of Hong Kong. It is engaged primarily in private equity and venture capital investments, including early-stage life science companies formed around new technologies. Morningside works with both academics and industry professionals to bring scientific discoveries into the clinic. The firm invests in novel therapeutics, diagnostics, and medical devices across many disease areas. For more information, visit www.morningside.com.

About Allysta Pharmaceuticals, Inc.

Allysta is a privately-held biopharmaceutical company developing first-in-class peptide therapeutics with a current focus in dry eye and liver diseases. The company's lead compound, ALY688, is a potent agonist of adiponectin receptors and induces adiponectin-like responses. Since its discovery more than 20 years ago as a major hormone produced by adipocytes and other cell types, many studies have shown that adiponectin has beneficial actions on multiple organs and cell types because of its anti-inflammatory, insulin-sensitizing, anti-atherogenic, anti-steatotic, and anti-fibrotic properties. This broad range of activity provides an opportunity to evaluate ALY688 in multiple disease indications.

Data from disease models have been consistent with predicted biologic effects. For example, in models of liver fibrosis, ALY688 reduced inflammation, hepatocyte injury, and fibrosis. Additionally, in ocular models of dry eye and corneal injury, ALY688 decreased inflammation on the ocular surface (both T cell and pro-inflammatory cytokines) and promoted rapid healing (re-epithelization) following corneal injury.

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