



## **Xeris Pharmaceuticals Closed 2012 with \$6M In Additional Funding**

**AUSTIN, Texas – February 11, 2013** - Xeris Pharmaceuticals, Inc. (“Xeris”), an Austin-based, emerging pharmaceutical company developing patient-friendly injectable treatments for diabetes, epilepsy and other diseases, will close the 2012 year having raised almost \$6 million. Given the current economic climate, the early-stage company continues to employ a resourceful approach that has resulted in matching private capital, dollar-for-dollar, with non-dilutive grants. Xeris’ creative funding model includes a combination of private foundation and federal government research and commercialization funds as well as private investment dollars, enabling research and development projects for multiple products.

On the non-dilutive side, Xeris’ management team actively pursued funding opportunities that would directly finance research and development for its lead products. These include both federal funding opportunities such as the National Institutes of Health (NIH) Small Business Innovation Research (SBIR) grants and private foundation funding opportunities with the Epilepsy Therapy Project. The competition for these grants has increased significantly over the past few years requiring grant applications with a significant level of scientific and clinical detail coupled with a comprehensive discussion of the business case. Receipt of a grant following such a thorough review process will lend significant validation to the company’s technology and prospects for regulatory approval and commercialization.

Xeris has received multiple grants over the past three years and a key element to this success has been a concerted effort to collaborate with leading academic groups. Academic collaboration is often critical because granting agencies are interested in commercialization of innovative technologies as opposed to commercialization of incremental improvements. “Collaboration with an academic group that is recognized as a leader in the field of research adds another level of credibility to our efforts which is very powerful,” says Yash Sabharwal, COO and CFO of Xeris. Since 2009, Xeris has raised over \$3M in non-dilutive grant funding with another \$2M in applications still pending.

Xeris has successfully leveraged the validation that comes with the receipt of these grants to secure private funding from savvy investors, particularly family offices committed to curing or improving the quality of life for people with therapies developed for specific diseases. This can be an especially effective approach in the biotechnology industry where early-stage institutional funding from venture capital has dropped precipitously as investors are wary of FDA approval timeframes and processes (new products can take from nine to twelve years from approval to commercialization). Xeris has successfully employed this strategy to secure over \$5M in dilutive capital from angel investors and apply for awards through the Texas Emerging Technologies Fund (TETF).

Xeris' funding story is not particular to the 2012 financial year. Sabharwal identifies this multi-pronged strategy as the "ideal approach for early-stage biotechnology companies looking to drive innovation and continue product development while not relying on traditional sources of funding." It is now part of the financial management strategy as seen since the founding of the company (2005) which was originally funded through private funds and a Phase 1 SBIR grant.

Xeris' 2012 significant funding highlights:

*National Institute of Diabetes, Digestive and Kidney Diseases (NIDDK) Small Business Innovation Research Grant (SBIR): **Grant Number:** 1R44DK096706-01*

In August of 2012, Xeris was awarded a grant to advance the development of its glucagon formulation for use with insulin in a bionic pancreas. This is a very exciting project where the goal is to develop an external system that can mimic the function of the pancreas in controlling blood sugar levels. The Phase 1 portion of the SBIR grant for \$336,793 will advance the company's stable non-aqueous glucagon formulation for this application. The funding is part of a Fast Track Phase I and Phase II SBIR grant, with the potential for a total award of \$1.05 million with additional Phase II funding. Phase 1 funding will support product development and Phase 2 will support IND (Investigational New Drug) enabling studies and a clinical trial.

*Second Round of Funding:* In November, Xeris finished a convertible note round raising \$1.75M from current and new angel investors. This investment will be supplemented by a \$1.9M investment from the TETF. This \$3.65M in invested capital will complement the grant funding to advance product development efforts for Xeris' diabetes products and build the infrastructure and employee base to establish Xeris as a sustainable pharmaceutical company in Austin.

Xeris fundraising success in 2012 has taken a lot of capital risk off the table for Xeris and its investors funding the company into 2014. Regardless, Xeris will continue to pursue this successful funding strategy of seeking grants to fund early discovery work as it starts approaching institutional investors to consider a Series B round which can put the company on sound footing for future growth.

#### **About Xeris Pharmaceuticals, Inc.**

Xeris Pharmaceuticals, Inc. is a specialty pharmaceutical company based in Austin, Texas. Xeris develops injectable therapeutics to treat endocrine and metabolic diseases, as well as therapeutics for indications in neurology and immunology. Its low-volume and ready-to-use pharmaceuticals provide convenient and patient-friendly devices through the subcutaneous delivery of concentrated, non-aqueous pastes or liquid drug formulations. Its delivery technologies will eliminate reconstitution of biologics, simplify administration, and ease the pain of injections for millions of patients and caregivers. For more information please visit the Xeris website: [www.xerispharma.com](http://www.xerispharma.com)

###

#### **Media Contact**

Saretta Ramdial  
Xeris Pharmaceuticals, Inc.  
(888) 570-4781x707  
[sramdial@xerispharma.com](mailto:sramdial@xerispharma.com)  
[www.xerispharma.com](http://www.xerispharma.com)