

## Confluence's \$100 million acquisition is a win for St. Louis' biotech sector

[JONATHAN ALLEN, EQ](#) AUGUST 11, 2017



Above: Confluence Life Sciences has been acquired for \$100 million by Aclaris, Therapeutics, Inc.  
Image Credit: Shutterstock

Yesterday, BioGenerator's first co-working lab tenant, Confluence Life Sciences, got acquired by Aclaris Therapeutics, Inc. at a valuation of \$100 million.

On the acquisition, Confluence's lead founder Joe Monahan said in a press release, "We are thrilled to achieve this significant milestone. ... We built a team of proven drug hunters, successfully advanced multiple product candidates to the stage where they are appropriate to partner, and leveraged our profitable service business unit to achieve a financial exit."

I got a chance to sit down with Monahan and Evan Dick, senior vice president of discovery medicine at Aclaris, to discuss what the acquisition means for both companies.

### **What got bought? What was sold?**

Their full name, Confluence Life Sciences, Inc, represents two distinct competencies within the company. One is drug discovery and the other is drug development.

Confluence's lead program has successfully developed three different immune system inhibitors that show potential for therapeutic applications in dermatology. Simultaneously, Confluence Discovery Technologies, an internal subsidiary devoted to drug discovery, has made significant in-roads into immunotherapy research for cancer and other autoimmune diseases.

Aclaris plans to use their core clinical and commercial development expertise to take those three immune system inhibitors (technically known as drug candidates) forward through clinical trials, such that they are viable for commercial use and meet FDA approval guidelines.

Of specific interest to St. Louisans, though, is that Aclaris also intends to maintain and evolve Confluence's drug discovery competencies in the region. That means the Confluence Discovery Technologies team will act as a local independent subsidiary of Aclaris that will continue to do drug discovery research on their own internal programs and contract research on external clients in biotech.

## **Finding the balance**

Under their official name, Aclaris Therapeutics, Inc, is a dermatologist-led biopharmaceutical company focused on developing and commercializing innovative and differentiated therapies for medical and aesthetic dermatology.

Their initial interest was in the aforementioned Confluence Life Sciences' lead programs that saw the development of the three different immune system inhibitors which showed potential therapeutic applications for a range of dermatological conditions, such as psoriasis, atopic dermatitis (scaly or itchy skin, to the layman), and psoriatic and rheumatoid arthritis (inflammation of the joints).

However, further investigation into Confluence's research and discovery program, left Aclaris impressed by the team of St. Louis scientists' achievements in immunology, as a whole.

## **Betting on local biomedical talent**

Aclaris senior VP Dick told me that initial discussions with Confluence was a case of agreeing on an initial project to work on.

“We agreed a single license to have them develop a drug for us. And then, not unexpectedly, they did a great job! Then soon it was a case of, ‘well, while we’re here, what else have you got?’ So, after doing one license, it occurred to us that we could do five more. Which raised the question, why only do five more? If we already think we could do five, then in reality we can do a lot.”

So, Aclaris made it official.

“It comes down to confidence. Confluence is in the exact niche that fits our exact needs. What we see is a group that is doing a great job, and we would have them not only to keep their infrastructure but also expand it, specifically around what we need.”

## **The science behind the acquisition**

Immunology is a relatively new field of biomedical research that has principally discovered that inflammation – namely the immune system attacking itself – is a common cause of a wide variety of medical conditions, ranging from the cosmetic to the severe and life-threatening.

Confluence's drug discovery team has a substantially broader research remit than dermatology, having already made significant headway into immunological therapies for cancer and other autoimmune conditions, such as Crohn's disease.

To that end, while Confluence's current lead drug development programs will be taken to market under the banner of the new owner, Aclaris sees strong market opportunities to expand staffing on Confluence's core drug discovery team in St. Louis.

"Confluence is at the forefront of innovation in the discovery and development of new compounds and new approaches to treating patients with severe and debilitating autoimmune diseases," said Neal Walker, president and chief executive officer of Aclaris, in a press release.

"The Confluence acquisition enables Aclaris to immediately solidify its existing position in inflammatory / autoimmune skin disorders and expand into relevant adjacent therapeutic categories. We look forward to progressing the drug candidate CDD-450, as well as Confluence's soft JAK and ITK inhibitor programs to identify drugs to treat inflammatory skin diseases."

That Aclaris confirmed the potential to use the St. Louis base to expand into "relevant adjacent therapeutic categories" signals a refreshing confidence in a common sense strategy (at least, for immunologists) to growing a biomedical talent powerhouse in the region.

*This post originally appeared on [EQ](#).*