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Acceleron Secures \$30M In Series B

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Acceleron Pharma Inc. completed a Series B, raising \$30 million to advance ACE-011 and other programs in the areas of musculoskeletal, metabolic and cancer-related diseases.

New investor OrbiMed Advisors, of New York, led the round, which included participation by all existing investors, including Advanced Technology Ventures, Flagship Ventures, Polaris Ventures, Sutter Hill Ventures and Venrock Associates.

The Cambridge, Mass.-based company last raised \$26 million in a Series A round conducted in February 2004.

"Over the last two years, we were able to move our first product from concept into the clinic," said CEO Glenn Batchelder, "and we have a number of additional molecules that are just entering development now that we would expect to take into the clinic over the next 18 months or so."

ACE-011 has demonstrated potential to fundamentally change the treatment of bone loss by rebuilding bone. It is being developed for diseases such as osteoporosis and cancer.

Acceleron's platform focuses on harnessing the regenerative powers of naturally occurring tissue growth factors from the growth and differentiation factor (GDF) and bone morphogenetic protein (BMP) families.

"The simple way of describing it is your body has both positive and negative regulators of tissue," Batchelder told *BioWorld Today*. "We're able to go in and inhibit the negative regulators of bone," allowing the positive regulators to restore bone to a healthy state, "and with muscle, it's the same thing."

Most products on the market for osteoporosis aim to slow bone loss, with the exception of parathyroid hormone (PTH), which does have some anabolic effect. But ACE-011 takes the body's "natural regenerative system" to regrow bone, Batchelder said.

There are no products on the market addressing muscle loss, which occurs with age and makes people more susceptible to falls and immobility. Acceleron's lead product in the space is ACE-031, one of two products that the company expects to soon move into the clinic. The product also may show a benefit in patients with amyotrophic lateral sclerosis and muscular dystrophy.

The second candidate slated for clinical development within 18 months is the oncology drug ACE-041, a GDF antagonist that blocks angiogenesis, even in anti-VEGF resistant tumors.

Acceleron expects to partner its products for larger indications, such as osteoporosis, but it hopes to commercialize products itself for smaller indications, such as bone loss associated with cancer and cancer treatments.

In connection with the financing, OrbiMed's Carl Gordon is joining Acceleron's board. The \$41M in funds is expected to last the company through the end of 2008. ■