
VENTUREWIRE**Second Genome Raises \$42.6M Series B to Pursue Microbiome-Based Therapies***Brian Gormley**April 20, 2016*

Second Genome Inc. has attracted the venture arms of two drug companies to a \$42.6 million financing that will enable it to develop disease treatments based on research into the population of microbes that live in and on the body.

New investors **Pfizer** Venture Investments and Roche Venture Fund led the Series B round, which also included new backers Adveq, Digitalis Ventures, LifeForce Capital and MBL Venture Group.

Series A investors **Advanced Technology Ventures**, **Morgenthaler Ventures** and Seraph Group also participated. , founder and chairman of molecular-diagnostics company **Asuragen Inc.**, joined the round as well. Second Genome, based in South San Francisco, Calif., has now raised \$59 million since forming in 2009.

The more than 100 trillion microorganisms living in and on the body, the microbiome, influence disease and health, research indicates. Several developers of microbiome-based therapies have raised venture capital, including Evelo Biosciences, which has raised \$35 million from **Flagship Ventures** to develop microbiome-based cancer therapies.

For Second Genome, the interest that the venture arms of **Pfizer** and Roche showed in its financing validates two premises on which the company is based. One is that the microbiome is involved in multiple diseases. The other is that Second Genome's particular approach to microbiome-based therapy is one that should appeal to drug manufacturers, according to Chief Executive Peter DiLaura.

Instead of using microbes as drugs, Second Genome develops conventional large- or small-molecule therapies, the types of products that pharmaceutical companies already produce.

Second Genome's first drug, SG-1019, inhibits a receptor targeted by molecules that microbes release. It hasn't disclosed specifics about this receptor, but says that blocking it could reduce the pain and inflammation caused by the inflammatory-bowel disease ulcerative colitis.

The company could also develop drugs that activate receptors to compensate for microbe-released molecules that are missing or diminished in various diseases.

In ulcerative colitis, Second Genome's drug could help patients who don't respond to first-line treatments known as 5-ASA medications. About half of patients don't respond to these drugs, Mr. DiLaura said. Normally, they would go on to receive corticosteroids, which suppress the immune system. Second Genome's product could provide an alternative to immune-suppressing medicines.

This financing will enable Second Genome to complete Phase II proof-of-concept clinical trials for SG-1019 in ulcerative colitis. It expects the study to begin in 2017.

Pfizer Venture Investments Executive Director Elaine Jones and Carole Nuechterlein, head of Roche Venture Fund, are joining the Second Genome board.

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