

Human Tissue Co. Asterand Closes On \$3.5M Series D

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Asterand Inc., a supplier of human tissue and tissue-related services, closed a \$3.5 million Series D funding round last month, Chief Executive Randal Charlton told VentureWire. The money is slotted to increase Asterand's network of tissue centers worldwide and improve quality control for the samples.

Returning investors Chrysalis Ventures led the internal round with other stakeholders Apjohn Ventures, Arboretum Ventures, Fort Washington Capital Partners and Hillside Capital also participating. Oxford Bioscience Partners, another Asterand stakeholder, did not reinvest.

"The general idea was to equal things out," Charlton said. Before the round, he added, Oxford was "a bit of a big dog." Asterand had previously raised about \$11 million.

In conjunction with the round Timothy Petersen, managing partner of Arboretum and Mina Sooch, a general partner at Apjohn joined Asterand's board of directors.

Proceeds from the round are expected to more than double the company's approximately 50 tissue collecting sites, and will also go to improving the quality control of samples. "Applying the term higher standard to a bit of tumor that's going to be incinerated may sound a bit strange," Charlton said. However, better samples do provide scientists easier access to more complete samples of RNA and other relevant material.

Setting up a tissue collecting site generally requires more than a year as Asterand must get approval from the institutions where tissue is collected.

Detroit-based Asterand has a "straightforward business model," Charlton said. "We don't discover the cure for cancer but we help the people who do." In addition to cancer the company collects tissues useful for biotech companies targeting cardiovascular and inflammatory diseases and other indications.

In 2004 Charlton said Asterand broke even with \$8 million in revenue up from \$2.75 million in 2003. He projected 2005 revenue to top \$10 million. Asterand's clients include pharmaceutical, biotech, genomic and proteomic companies including 15 of the world's 20 largest drug discovery companies, Charlton said.

While Asterand has not finalized its plans for an exit, Charlton said getting acquired is an attractive option. He said it is unlikely that Asterand would go public in the U.S.

Founded in 2000, Asterand has about 60 employees and is hiring.