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Ebb & Flow

Easy on the eyes

Kala Pharmaceuticals Inc.'s \$11.5 million series A round should allow the company to move its mucosal penetrating particle technology into the clinic for an ophthalmic indication.

New investor Crown Venture Fund led the round, in which existing investors Lux Capital, Polaris and Third Rock Ventures also participated. Kala raised \$11.2 million in a seed round in 2012.

The mucosal penetrating particle technology is based on IP from **Johns Hopkins University**. It is designed to achieve high, sustained local drug concentrations with low systemic exposure. The delivery technology can be applied to diseases that affect mucosal tissues in respiratory tract, eye, GI tract or cervicovaginal tract.

"The technology addresses a fundamental problem with delivery of drugs to mucosal tissues with its ability to allow drugs to uniformly distribute along mucosal linings," said Third Rock's Robert Tepper, who sits on Kala's board.

"What really lit up and got us excited was the data Kala was generating in ophthalmology," said Polaris' Kevin Bitterman. "For front of the eye indications, one can use lower overall drug

concentrations but get more drug to the right place over longer periods of time."

Bitterman, a Kala director, declined to disclose details of the data.

"The technology addresses a fundamental problem with delivery of drugs to mucosal tissues."

Robert Tepper, Third Rock

President and CEO Guillaume Pfefer said the company plans to start Phase I testing next year of a formulation of loteprednol etabonate to treat ocular inflammation. **Bausch & Lomb Inc.** markets the steroid as Lotemax in eye drop, ointment and gel formulations to treat internal and external inflammation of the eye.

Pfefer said the Lotemax formulations cannot escape the eye's mucous layer, and as a result very little drug actually comes in contact with the ocular surface. In contrast, he said, "Kala's MPP technology allows the drug to diffuse through the mucus layer of the tear film and to reach those areas of the ocular surface that are critical for drug absorption into the eye."

The company expects to take a wet age-related macular degeneration (AMD) program into the clinic by 2016. It will deliver a to-be-determined kinase inhibitor.

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