



The Press Room

News Release
FOR IMMEDIATE RELEASE

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ACELLERX THERAPEUTICS RECEIVES INITIAL FINANCING; COMPANY PREPARING FOR PHASE 1 CLINICAL TRIAL OF CHRONIC HEART FAILURE TREATMENT

AcelleRX Therapeutics, Inc., a Cleveland Clinic start up company, that develops regenerative medicine technologies for treatment of cardiovascular disease and other ischemic disorders, today announced the company received its first round of private funding.

Jump Start, Inc., North Coast Angel Fund, and X-Gen – all Northeast Ohio investment funds – are among the company's initial investors. Blue Chip Venture Company, located in Cincinnati, and select angel investors completed the round.

AcelleRX will use the funds to prepare for a Phase I clinical trial of its Stromal Derived Factor-1 (SDF-1) as a treatment for chronic heart failure, a condition affecting 550,000 new patients each year.

"It is gratifying to watch this technology move forward toward commercialization," said Christopher Coburn, Executive Director, CCF Innovations. "We are pleased that four Ohio-based investment funds are committing to AcelleRX and note the bright promise this represents for future Cleveland Clinic spin-offs."

AcelleRX was founded based on the discoveries of Marc Penn, M.D., Ph.D., Director, Cleveland Clinic's Bakken Heart-Brain Institute. The company is one of 18 companies spun off from the Cleveland Clinic in the past five years.

"SDF-1 provides a novel and exciting therapeutic opportunity for the treatment of chronic heart failure and other ischemic disorders" said Rahul Aras, Chief Executive Officer, AcelleRX. "This funding, along with grants the company has received, will enable the company to advance its lead product toward human clinical trials."

"Regenerative medicine represents a new and growing field of medicine and AcelleRX represents an exciting investment opportunity," said Lynn Ann Gries, Chief Investment Officer, JumpStart Inc. "Our investment is a clear example of Northeast Ohio's growing supply of high

quality biotechnology deals.”

“Our membership is excited to participate in this innovative biotechnology opportunity,” said Claiborne R. Rankin, Managing Member, North Coast Angel Fund. “We see this as a potentially significant life-enhancing technology built on solid science and supported by a strong management team.”

AcelleRX is a wholly owned subsidiary of the Cleveland Clinic.

About JumpStart, Inc.

JumpStart (www.jumpstartinc.org) accelerates the growth of early-stage businesses and ideas into venture-ready companies by delivering vital, focused resources to entrepreneurs in Northeast Ohio. JumpStart identifies and invests in early-stage companies that have strong potential in the marketplace, solid prospects for high growth, and are likely to qualify for later-stage funding. Beyond investing, the JumpStart team provides a continuum of business development services to its client companies to help ensure their success.

About North Coast Angel Fund

North Coast Angel Fund (www.northcoastangelfund.com) is a contributed capital and “sidecar” pre-seed investment fund with a mission to accelerate technology start-up success and improve the state of early-stage funding in Ohio. By bringing increased discipline, structure and effectiveness to the region’s angel investing community, NCAF expects to create a more accessible and flexible capital environment in which the region’s best and brightest entrepreneurs can prosper. The Fund’s membership consists of a number of the region’s leading investors, entrepreneurs, and business leaders who are dedicated to accelerating early-stage technology ventures.

About AcelleRX Therapeutics

AcelleRX Therapeutics is a Cleveland Clinic spin-off company developing novel regenerative therapies for cardiovascular disease. Several studies have demonstrated that the company’s lead product, Stromal Derived Factor-1 (SDF-1) significantly increases cardiac function through promoting cell survival and revascularization after a heart attack. AcelleRX’s first generation SDF-1 platform is based on engineering cellular therapies currently in clinical trials to deliver SDF-1 to damaged heart tissue. Through a strategic partnership, AcelleRX anticipates advancing this platform to a Phase 1 Clinical Trial in 2008. Recent data also suggests that SDF-1 can also be delivered through non-cell based delivery methods providing a cheaper, logistically more manageable second-generation alternative to current cell therapy initiatives.

About CCF Innovations

CCF Innovations, the technology commercialization arm of Cleveland Clinic, stewards the Clinic’s technology innovation strategy. It enhances product-oriented innovation throughout Cleveland Clinic and transforms promising therapies, devices and diagnostics into beneficial medical products, via spin-off companies, licensees and equity partnerships.

About Cleveland Clinic

Cleveland Clinic, located in Cleveland, Ohio, is a not-for-profit multispecialty academic medical center that integrates clinical and hospital care with research and education. Cleveland Clinic was founded in 1921 by four renowned physicians with a vision of providing outstanding patient care based upon the principles of cooperation, compassion and innovation. U.S. News & World Report consistently names Cleveland Clinic as one of the nation’s best hospitals in its annual “America’s Best Hospitals” survey. Approximately 1,800 full-time salaried physicians and researchers at Cleveland Clinic and Cleveland Clinic Florida represent more than 100 medical specialties and subspecialties. In 2006, there were 3.1 million outpatient visits to Cleveland Clinic. Patients came for treatment from every state and from more than 80 countries. There were more

than 53,000 hospital admissions to Cleveland Clinic in 2006. Cleveland Clinic's Web site address is www.clevelandclinic.org.