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Daily news on ASX-listed biotechnology companies

Adalta IPO To Raise \$10m For AD-114 For Fibrosis

Adalta hopes to raise up to \$10 million in an initial public offering at 25 cents a share to list on the ASX to develop lead compound AD-114 for lung and eye fibrosis.

Adalta said that cornerstone investors including Yuuwa Capital had agreed to subscribe for \$7 million in the offer.

Adalta chief executive officer Sam Cobb told Biotech Daily that the company expected to lodge its prospectus with the Australian Securities and Investments Commission tomorrow, July 8, 2016.

Ms Cobb said that the company had developed its novel technology platform from proteins that mimicked the shape of shark antibodies.

“We identified the shape of the shark single domain antibody, searched human databases and found a human protein that was the same shape as the shark antibody,” Ms Cobb said.

“That human protein was from a family of molecules called I-set and we modified it to invent a library of compounds and selected 114 for fibrosis,” Ms Cobb said.

Ms Cobb said that the initial indication would be lung fibrosis but the company also had data for fibrosis of the eye.

I-set molecules are one of four groups – the intermediate group - of immunoglobulin or immunoglobulin-like domains.

Ms Cobb said that Adalta developed the novel protein and called it I-body.

In a media release, Adalta said the I-body platform would be used to develop a pipeline of drugs called I-bodies, with an initial focus on treating fibrotic diseases, with lead compound AD-114 for the treatment of idiopathic pulmonary fibrosis.

The company said it was founded nine years ago, based on discoveries by scientists in the Co-operative Research Centre for Diagnostics, including the Commonwealth Scientific and Industrial Research Organisation and La Trobe University.

Adalta said that investors included Leon Serry and Yuuwa directors Dr James Williams and Liddy McCall, with IDT chief executive officer Paul MacLeman as chairman and Dr John Chiplin as a director.

The media release said that prior to Adalta, Ms Cobb led business development at the Co-operative Research Centre for Diagnostics and previously worked for medical technology companies and the University of Queensland's technology commercialisation businesses Uniquest and IMBcom.

"Proceeds from the offer will be deployed to expedite our first candidate into phase I human clinical trials and extend the technology into other diseases," Ms Cobb said.

"Our strategy is to licence this drug candidate on completion of the planned phase I clinical studies proposed in the offer," Ms Cobb said.

"We also plan to expand our own internal development pipeline of novel proprietary I-body drug candidates generating sustainable future licensing opportunities," Ms Cobb said.

"In addition, Adalta intends to licence or partner the I-body technology platform for drug discovery with pharmaceutical and biotechnology companies, with the objective of earning up front, milestone payments and licencing revenues," Ms Cobb said.

Adalta said that AD-114 had shown anti-fibrotic activity as well as anti-inflammatory activity in pre-clinical studies, which were important for preventing the disease and for the treatment of idiopathic pulmonary fibrosis.

Adalta said that its proposed ASX code would be AAB and more information about the company was available at: www.adalta.com.au.