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After First Product Approval, BioMimetic Seeks \$50M IPO

By Jennifer Boggs
Staff Writer

Less than three months after winning FDA approval for its first product – a drug-device combination for treating bone loss associated with advanced periodontal disease – BioMimetic Therapeutics Inc. filed for an initial public offering, hoping to raise \$50 million.

The Franklin, Tenn.-based company has not specified the price or number of shares to be offered. Upon completion of the offering, its stock would be listed on Nasdaq under the symbol "BMTI."

According to BioMimetic's prospectus, proceeds from the IPO would fund ongoing research and development efforts, in-licensing of additional molecules and matrix materials, hiring additional staff, and general corporate purposes. Money also would go to commercialization efforts for GEM 2IS Growth-factor Enhanced Matrix, such as increasing the company's manufacturing capability for the product.

GEM 2IS, a synthetic regeneration system approved in November to treat periodontal bone defects and associated gingival recession, is made of recombinant human platelet-derived growth factor (rhPDGF-BB), which stimulates wound healing, plus beta-tricalcium phosphate. It is the first totally synthetic product combining a purified recombinant growth factor with a synthetic bone matrix to hit the market. (See *BioWorld Today*, Nov. 22, 2005.)

GEM 2IS was launched by BioMimetic's worldwide marketing and distribution partner, Osteohealth Co., a division of Tokyo-based Sankyo Co. Ltd.'s U.S. subsidiary, Luitpold Pharmaceuticals Inc. Under that agreement, BioMimetic is entitled to milestones and royalty payments.

The companies also are seeking approval in Canada, and Osteohealth is expected to handle regulatory approvals in other parts of the world. In addition, Osteohealth agreed to be responsible for studies to expand GEM 2IS's label for indications such as repairing or reconstructing cranio-maxillofacial osseous defects.

In its development pipeline, BioMimetic has several drug-device combination products that incorporate rhPDGF and a bone matrix aimed at healing other musculoskeletal injuries and diseases, such as orthopedic, spine, and sports injury indications.

RhPDGF has been shown to promote chemotaxis, a process for attracting cells needed in tissue healing, while stimulating the proliferation of healing cells through mitogenesis. Preclinical studies also have suggested that rhPDGF might help boost new blood vessel formation at the wound site.

The company is evaluating GEM OSI in pilot studies in long bone fracture repair and foot and ankle fusions. A second product, GEM OS2, is in preclinical studies for treating closed fractures and stimulating bone formation in osteoporotic animals.

Since its 1999 inception, BioMimetic has raised more than \$50 million in venture capital. The company had an accumulated deficit of \$13.3 million as of Sept. 30.

For the third quarter, the firm's net loss totaled about \$2.5 million, and it reported cash and cash equivalents of \$313 million.

Prior to the offering, BioMimetic's largest shareholders include San Francisco-based Burrill Biotechnology Capital Fund, which owns 16 million shares, or 21.7 percent of the company; Bagsvaerd, Denmark-based Novo A/S, with 11 million shares, or 15.6 percent; Englewood, Colo.-based Holden Capital LLC, with 983,349 shares, or 13.6 percent; Menlo Park, Calif.-based InterWest Management Partners VIII LLC, with 592,718 shares, or 8.2 percent; and San Francisco-based CMEA Ventures, with 508,044 shares, or 7 percent.

Deutsche Bank Securities Inc., of New York, will be acting as the sole book-running manager for the offering. San Francisco-based Pacific Growth Equities LLC will act as the co-lead manager, and New York-based First Albany Capital Inc. and St. Louis-based A.G. Edwards & Sons Inc. will serve as co-managers. ■

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