



## Company News

### Gentronix partners green test

Biotech start-up **Gentronix** has signed an exclusive strategic alliance with technology commercialisation company **BTG** for co-promotion and sales of its first product **GreenScreen**. Gentronix, shortly to close its first VC round of funding, aims to provide an 'early-warning system' for compounds with undesirable genotoxic properties.

**GreenScreen** is a pre-regulatory screening test consisting of yeast cells, genetically engineered to include the green fluorescent protein gene, in a microplate-based assay. Any genetic damage to the test cells caused by exposure to a candidate compound results in an increased emission of green fluorescence, which can be read by standard fluorescence plate readers. **GreenScreen** is highly predictive of both the bacterial Ames test and the mammalian cell tests required by the regulatory authorities, Peter McCulloch, CEO of Manchester, England-based Gentronix, told *BVV*. "Existing technology that is capable of screening at a reasonable volume and price only picks up the bacterial test."

The required regulatory panel of *in vitro* toxicity and genotoxicity studies are "unbelievably laborious and expensive – in the region of £30,000 per compound", McCulloch explained. **GreenScreen**, used for example in conjunction with a bacterial test and *in silico* technology, could "save firms a lot of money, because at the moment too many compounds get through [preclinical testing] to be then thrown out for toxicity issues later on", he commented.

The current version of **GreenScreen** available to customers has the yeast cells in a frozen format. "Customers are very happy with that, but we prefer – for customer convenience – to get [the cells] into a liquid, stable format. That's going very well and we should be ready to release it by the Summer," McCulloch predicted.

The deal with **BTG** covers "existing **GreenScreen** technologies and developments thereof". It is Gentronix' first strategic alliance, and the companies are working together in "joint venture mode" to market the test to the drug discovery industry, McCulloch explained. "It's a lovely, clean commercial deal in which **BTG** is paid commission on sales of **GreenScreen**." Working with an established international firm such as **BTG** enables Gentronix to penetrate the many layers of management at a typical large pharma to try to introduce the new technology. "Great multinational organisations...won't change their screening habits overnight," he remarked.

Gentronix' market research indicates a potential market size a little over £50.0M for a pre-regulatory screening test "if used in the late secondary screening/early lead optimisation phase", said McCulloch. "If used earlier, it's a bigger market still. And there's no reason why we can't grab 25% or more."

The company was founded in 1999 as a spin-out from **UMIST** (University of Manchester Institute of Science and Technology). To date, Gentronix has raised around £825,000 from three sources: a private consortium of business angels; **UMIST Ventures** (the University's commercialisation arm); and the **McDonald Glencross EIS Fund**. "We've been very frugal with our monies to date," McCulloch commented. "We're now in the final throes of closing a round of VC funding." The company is looking to raise a relatively modest £1.5M. "We're a little enabling cog to help the pharma industry to do what it's striving to do: reduce costs and increase the productivity of the drug discovery process by eliminating failures early," he concluded. – *MG*

### Tranzyme takes the merger plunge

**Tranzyme** has raised \$6.0M in new capital in conjunction with its merger with chemistry-based **Neokimia**. The merger creates a new fully integrated drug discovery company with biological and chemical capabilities. "If we had not merged with **Neokimia** it would have taken us two years and up to \$15.0M to get to the stage we are at now," Dr Vipin Garg, president and CEO at **Tranzyme**, told *BVV*.

Garg claims this business decision will move **Tranzyme** (Research Triangle Park, NC) from a platform to a product development company. **Neokimia** (Sherbrooke, QC) integrates advanced synthesis and combinatorial chemistry capabilities with computational methods to produce libraries of novel, potentially bioactive molecules.

"**Neokimia** has used its proprietary **MATCH** (**MA**crocylic **T**emplate **C**hemistry) technology and created a compound library consisting of 20,000 GPCRs along with two compounds in the final stages of lead optimisation," he said.

Although the \$6.0M – raised in the form of convertible notes – will be sufficient to take the new company into 2006, additional funding will be sought this year. "We plan to raise an additional \$6–8.0M to provide us with the flexibility to progress our internal therapeutic candidates into the clinic. We are hoping to advance two of **Neokimia**'s candidates for gastrointestinal disorders; post-operative ileus and inflammatory bowel disease, into the clinic within 18 months. Additionally, we intend to develop one of our own compounds for treating cystic fibrosis and muscular dystrophy by the end of 2005/early 2006," Garg explained.

The companies will remain at their current sites, with a combined workforce of 45. The dual Canadian and US locations will be advantageous to the newly formed company. "Canada provides good funding to biotech start-ups while America is able to provide access to capital and to the stock market," Garg concluded. While the American branch will remain as **Tranzyme Inc**, in Canada the site will be known as **Tranzyme Pharma Inc**. – *COB*

### ■ Second pharma deal for Lipomics

Lipid metabolite specialist **Lipomics Technologies** (West Sacramento, CA) has secured its second agreement with a pharmaceutical company. The research agreement with **Bayer Pharmaceuticals** will focus on a selection of drug compounds for treating obesity. Using its **TrueMass** lipid analysis technology, along with **Surveyor** and **Insight** graphical tools, **Lipomics** will evaluate the effects of the drugs on metabolism and analyse lipid profiles. Financial terms of the agreement were not disclosed. This deal follows a similar research agreement initiated last year with **GlaxoSmithKline** to study the effect of drug compounds on lipid metabolism (*BVV* Vol 18, No 16, p3).

### ■ Advion secures first deal with pharma

Mass spectrometry service and product provider **Advion Biosciences** (Ithaca, NY) has entered into a \$9.0M three-year service agreement with an undisclosed pharmaceutical company. **Advion** will provide scientists and instrumentation for bioanalytical development, method validation and sample analysis programmes. The company stated that this contract "offers a resource model that could be extended to other clients" in the future.