

**Although Small, D-Pharm Ltd. Has Already Taken Their DP-b99 Therapy From Early Discovery Through To Phase III Clinical Study Under The US IND**



**Healthcare  
 Biopharmaceutical  
 (DPRM-TASE)**



**Dr. Alexander Kozak  
 Founder, President and CEO**

**BIO:**  
 Dr Kozak founded the Company in 1993 and has served as President and a director since its incorporation. Dr. Kozak developed the Company's core technology and specializes in neurochemistry, with particular expertise in molecular mechanisms of cell injury. He holds a Ph.D. degree in Neuroscience from the Weizmann Institute of Science in Israel..

**Company Profile:**  
 D-Pharm (TASE:DPRM) is a technology-driven biopharmaceutical company focused on the discovery and development of innovative proprietary drugs for the treatment of central nervous system disorders and cancer. D-Pharm is a leader in

design and development of lipid-like medicine.

The Company's products are new chemical entities (NCE) derived from its proprietary platform technology. The Company's pipeline includes two products in advanced stages of clinical development: i.e., DP-b99 (Phase III) and DP-VPA (Phase II) and preclinical drug-candidates for Alzheimer's disease, ALS and cancer.

The company's headquarters and research labs are based in Rehovot, Israel. The Company was established in 1993 by Alex Kozak Ph.D.

**Interview conducted by:  
 Lynn Fosse, Senior Editor**

**CEO CFO:** Dr. Kozak, you founded the company quite some time ago, what was your vision then, and where are you today?

**Dr. Kozak:** I am trained as a neurobiologist, and my particular interest is the mechanism of cell damage and cell death in the brain. So today the main focus of the company is the discovery and development of innovative drugs for the treatment of devastating brain disorders. The vision was at that time that we would like to establish a company with its own platform technology and the ability to generate and develop innovative drugs for neuro-degenerative disorders like brain stroke, Alzheimer's disease, ALS. I believed that the company should have expertise in key aspects of drug development starting from the drug design, pre-clinical and clinical development. In fact, most of this vision became a reality. We in D-Pharm believe this is the best way to create product value, accumulate critical knowledge and build the involvement and excitement in the company. D-Pharm

today is a small technology-driven organization with strong expertise in the medicinal chemistry of bio-active lipids and drug development through advanced clinical studies. D-Pharm has GMP manufacturing lab for the drug substance (API). Obviously, we out-source some other tasks to CROs and CMOs.

**CEO CFO:** You have a unique technology platform with 51 patents; what is it that differentiates your approach?

**Dr. Kozak:** First, unlike the majority of biotech companies our inspiration comes from the molecular biology of bioactive lipids naturally occurring in the body. Our drugs are synthetic small molecules, which mimic bioactive lipids. Our drugs then interact with natural biochemical processes that occur distinct microdomains of cell membranes, lipid rafts. It is quite an unusual approach because most of biotech is focused on proteins or nucleic acids while lipid molecular biology is still rather neglected area.

**CEO CFO:** Would you tell us a little about lipids?

**Dr. Kozak:** the words "lipid" and "fat" frequently have a negative connotation linked to "over-weight", "high cholesterol", and so on. At the same time lipids are an extremely important to the living cell. Recent studies show central role for lipids in the control of numerous functions in normal and diseased cells. Molecular biology of bioactive lipids is emerging now as a potentially very important source of targets for drug development.

The second aspect of our technology reflects our approach to degenerative brain disorders. One of the most common features of diseases like stroke, Alzheimer's, vascular dementia, etc. is that it involves

multiple and sometimes independent processes leading to cell damage. Sometimes they are called multi-faceted diseases. If a drug stops one of these processes, there are still many others that may cause cell death. Our approach is based on the understanding that effective treatment of such multi-faceted diseases requires special drugs addressing diverse mechanisms of cell damage. Design of multi-target drugs for treatment of degenerative disorders is the second most important aspect of D-Pharm's technology.

**CEO CFO:** Would you tell us about your flagship product?

**Dr. Kozak:** Our lead product, DP-b99 is intended for protection of brain cells in acute ischemic stroke. It is now undergoing large multinational Phase III clinical study under US IND. The study will include about 800 patients recruited in about 100 medical centers in North America, Europe and South Africa. DP-b99 was tested in several Phase I and Phase II studies. In the Phase IIb study DP-b99 achieved several key efficacy endpoints. The most impressive result was that twice as many patients completely recovered 90 days after the stroke in the DP-b99 group compare to the placebo. Now we are shall await results of the Phase III study.

**CEO CFO:** How do your results compare to what they are getting with other therapies now?

**Dr. Kozak:** As far as I know very few Phase II studies in stroke achieved their pre-specified efficacy endpoints. In our Phase II study, DP-b99 achieved numerous efficacy endpoints with a high level of statistical significance. It is very good news. The drug effect was robust over a

9-hour treatment window, which means that most of the patients will have sufficient time to get help after onset of stroke. This is very good news too. Still, only our Phase III study results will properly answer on your question.

**CEO CFO:** D-Pharm became a public company this past year; why was this the right time?

**Dr. Kozak:** We were quite happy being a privately held company. For many years enjoyed the support of our major shareholders such as Clal Biotechnology Industry and Care Capital. However, we have pretty ambitious clinical development programs and the idea to extend the

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investor base sounded quite natural. In August 2009 we were the first company after a long break to have successful IPO on the Tel Aviv Stock Exchange (TACE). Our post-market performance is still rather gratifying.

**CEO CFO:** Would you tell us about your second product and its target area?

**Dr. Kozak:** Our second product, DP-VPA is intended to treat migraine, epilepsy and bipolar patients. DP-VPA completed its Phase IIa study and is positioned for further clinical development in epilepsy and migraine as early as in 2011.

**CEO CFO:** Will you need to raise more funds before then?

**Dr. Kozak:** We are not yet certain how we will finance the additional developments.

**CEO CFO:** Would you tell us about your agreement in China?

**Dr. Kozak:** Stroke is one of the major neurological disorders with about 1.5 million new patients annually in the United States, Europe and Japan. However, in China there are additional about 1.2 million cases of stroke annually. Our agreement with Wanbang Biopharmaceuticals should provide us with access to the Chinese market and thus significantly increase future market for DP-b99. We will collaborate in development and registration of DP-b99 in China. D-Pharm will supply to Wanbang the DP-b99 and they will be responsible for marketing in China. The agreement includes development and sales milestones as well as royalty from the sales.

**CEO CFO:** Address potential investors, there are many companies to choose from in your industry; why look at D-Pharm?

**Dr. Kozak:** D-Pharm is in many ways a special company. We have a unique platform technology and products in advanced stages of clinical development with strong positive results from clinical studies. Our products address significant multi-billion dollar specialty-driven markets. Most importantly, we have a very stable, highly motivated and well trained multidisciplinary team. I think together this form very attractive investment opportunity.

