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Newcomer Netropix explores viral therapies for cancer

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MALVERN — Paul Hallenbeck has spent more than a decade tinkering with viruses in search of a new way to treat cancer. That quest led him to create Neotropix Inc., which recently relocated here in Chester County from Gaithersburg, Md.

"We want to be the leading company specializing in the use of viral therapies to treat cancer and other diseases," Hallenbeck said.

Last month, Neotropix raised \$10 million in a private stock sale. Those funds will help the company continue developing its lead new drug candidate, SVV-001, which is being studied as a potential treatment for small-cell lung cancer.

Neotropix developed SVV-001 from a nonhuman virus called the Seneca Valley Virus, which is transmitted by animals. The company plans to test the virus as a potential treatment for pancreatic cancer and certain types of pediatric cancers, as well as other diseases.

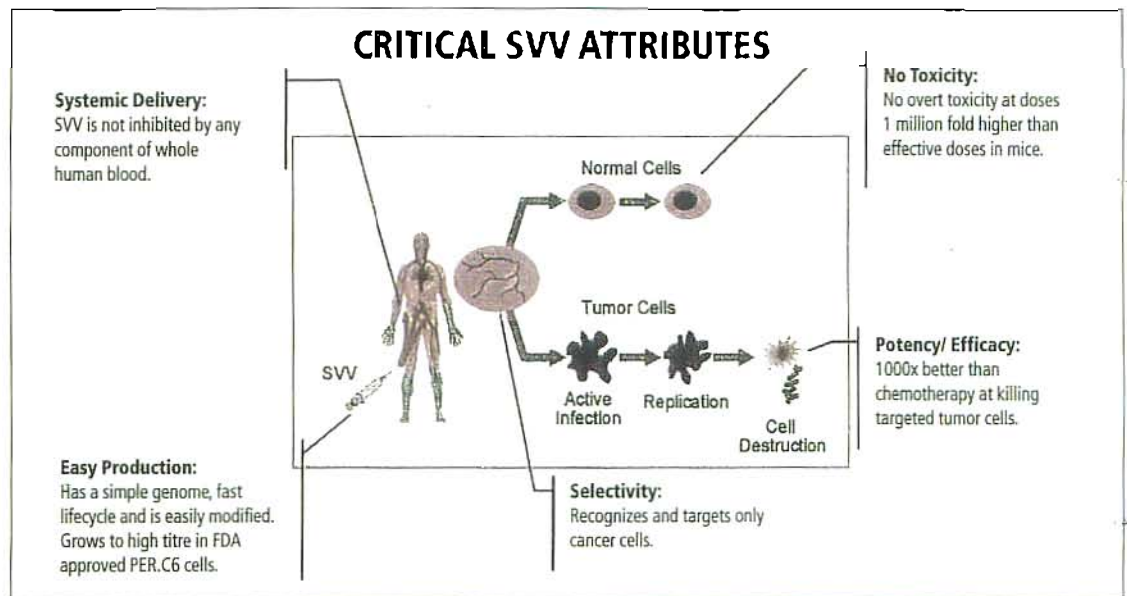


Hallenbeck

"Though I've worked in the fields of virotherapy and oncology for more than a decade, I have never encountered another agent at this stage of development with more therapeutic potential than SVV," Hallenbeck said.

Viral therapy, or virotherapy, uses genetically modified viruses to selectively infect, replicate in, and eventually destroy targeted cells, such as cancer cells, while leaving healthy cells alone.

The idea of using viruses to treat diseases goes back more than five decades, but it wasn't until the 1990s that scientists figured out how to engineer viruses to remove harmful toxicities. Hallenbeck said most of the 10 or so experimental viral therapy products now in development rely on human viruses, such as the adenovirus



Graphic demonstrates how drug candidate developed from the Seneca Valley Virus is being used to fight lung cancer.

linked to the common cold.

"The problem with using human viruses is everybody has an immune response to them," he said. "Everybody has antibodies to the adenovirus because we have all had the common cold. [SVV] is a nonhuman virus carried in animals, but it doesn't cause toxicity in animals and there is no antibody to the virus in humans."

Neotropix, founded in late 2003, licensed the rights to SVV-001 from the pharmaceutical company Novartis. Hallenbeck led the research team that discovered the virus while at Genetic Therapy Inc., a Novartis subsidiary based in Gaithersburg.

Hallenbeck, who has a preliminary meeting regarding SVV-001 with the Food and Drug Administration scheduled for March, expects to file an investigational new drug application with the agency be-

fore the end of the year. Pending FDA approval, the company wants to begin testing the drug in humans next year.

The \$10 million investment in Neotropix was co-led by Quaker BioVentures of Philadelphia, the Aurora Funds Inc. of Durham, N.C., and the Boston-based VIMAC Milestone Medica Fund. BioAdvance Ventures, a venture fund created by Philadelphia-based BioAdvance and managed by Quaker BioVentures investment professionals, also participated in the financing.

"SVV has the potential to address some very aggressive diseases, such as small-cell lung cancer, where current treatment options are dismal," said Dr. Chris Kroeger of Aurora.

Neotropix has grown to eight employees. It plans to add five or six more in the summer. Hallenbeck decided to establish

the company in the Malvern area, which is already home to about three dozen biopharmaceutical companies.

"The proximity to large pharmaceutical companies and leading academic centers makes Philadelphia a great base for our operations," he said.

Hallenbeck credited Matt Reike of Quaker BioVentures with helping to make the move happen.

"He was terrific about getting us connected to the right people so we could find lab real estate and find employees," he said.

Neotropix is working out of temporary lab space in the same Malvern building where its permanent 7,000-square-foot facility is expected to be completed by April.

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