Media Release

Sophisticated investors back Australian Nobel Laureate's work on gut bacteria to develop new treatment for childhood allergy

PERTH, Australia 27 June 2017: Ondek, the Australian biotechnology company founded by Nobel Laureate Professor Barry Marshall, today announced it raised A$3.59 million in equity funding from professional and high-net-worth investors.

Ondek is seeking to exploit the human microbiome to develop a new immunotherapy based on the bacterium *Helicobacter pylori*. The company has patented a killed derivative of *H. pylori* to be developed as a natural and safe immunotherapy named ImmBALANCE®. The first target indication for ImmBALANCE® is childhood eczema because the researchers believe the product is likely to be most effective during development of the immune system. ImmBALANCE® will also be tested against existing allergies and other chronic inflammatory diseases in adults.

Ondek's business strategy is to develop its first product through to clinical proof of concept before partnering with a global pharmaceutical firm that has the capacity to complete clinical development and take the product to international markets.

Dr Jenny Harry, Ondek Chief Executive Officer, said "Capital raised will be prudently deployed to scale up manufacturing of the new drug compound and generate pre-clinical safety and efficacy data ahead of a meeting with the US Food & Drug Administration (FDA) later next year to seek guidance and permission to start regulatory toxicology studies and human trials."

This capital raising adds to the Australian National Health & Medical Research Council (NH&MRC) Development Grant of A$919,596 that Ondek has available to support clinical trials of the product.

Australian investors supporting the capital raising included Dymocks Group chairman John Forsyth and the founder of construction and property company ABN Group, Dale Alcock.

Sydney-based Dymocks Group Chairman John Forsyth said, "We are pleased to provide additional support for Ondek through this new equity investment. I have enormous regard for Barry Marshall and his work. We believe Ondek and its products have significant commercial potential in current and developing healthcare markets."

A leader in Australia's Construction, Property and Finance sectors, ABN Group founder and Managing Director, Dale Alcock said, "We see great value in backing the highly credentialed team behind Ondek. The rapid development of this important Australian business will allow it to realise significant global potential."

Ondek's Chairman Peter Hammond said, "Over the last few decades, there has been a dramatic rise in the prevalence of allergic diseases. According to the World Allergy Organization, an estimated 30 per cent to 40 per cent of the global population suffered from some form of allergic condition in 2011. We thank our shareholders for their support and believe successful completion of the next phase of product development will significantly increase the value of their current investment."

Ondek was founded in 2005 by Professor Barry Marshall, a world authority on the *Helicobacter pylori* bacterium and co-recipient with Dr Robin Warren of the 2005 Nobel Prize for Medicine and Physiology for their discovery that chronic *H. pylori* infection can trigger the development of stomach ulcers. Their work revolutionized the medical management of stomach ulcers and helped to generate a cure.

Ondek is using Professor Marshall's Nobel-prize winning insights to develop a patented *H. pylori*-based drug to be used to rebalance the human immune system and improve the treatment of common allergies. The main ingredient of the new compound harnesses the unique immune modulatory properties of the bacteria that naturally reside in the human gut.

Professor Marshall said that "the wider medical community is recognizing the important role of the microbiome in regulating the immune system. *H. pylori* is a unique member of the natural gut microbiome and has a potent immune regulatory function. I am very excited to be able to exploit this natural immune modulatory trait of *H. pylori* to shape the potential of future treatments for allergy".

How it works

The allergy epidemic has been linked to increased hygiene and reduced exposure to microorganisms in childhood. Independent studies have shown an inverse correlation between the presence of *H. pylori* and the incidence of allergic disorders such as eczema and asthma. Recent studies have demonstrated that the risk of developing allergy is reduced in the presence of *H. pylori* infection. There is no cure and limited treatments available for allergic disorders, particularly in children. In light of the increasing incidence of allergic disorders there is a mounting need for more effective treatments and new improved management of allergy.

About half of the world's population is infected with *H. pylori* bacteria, according to the World Health Organisation (WHO). The bacterium survives in the human stomach by modulating the host's immune system. While 10% of people with long term infection will develop an ulcer and have an increased risk of stomach cancer, the vast majority of people carry the bug without developing any symptoms. Moreover, the presence of *H. pylori* it appears to be beneficial for the development of a healthy immune system.

Ondek is harnessing the natural immune modulatory activity of *H. pylori* to develop a product that will down-regulate hypersensitive allergic responses. Professor Marshall and his team believe that the new therapy will have greatest impact when used during infancy and childhood, and possibly have broader application as a treatment for other chronic inflammatory diseases. Ondek has patented a killed derivative of the *H. pylori* bacterium to be developed as a safe immunotherapy named ImmBALANCE®. The target indication for ImmBALANCE® is childhood eczema, but will initially be tested in adults for efficacy in allergic and inflammatory diseases.

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