



MEDIA RELEASE

Mimetica \$6.5m ASX listing to develop topical acne treatment

..Plan to develop the first topical prescription drug treatment that reduces oily sebum production, a key cause of acne

.. \$2.8 billion pa market, and growing

..Funds raised for Phase 2 clinical trial in US

..Two high quality institutional cornerstone shareholders

2 September 2013: Telesso Technologies Limited (ASX:TEO) today launched a \$6.5 million capital raising in connection with its acquisition of Mimetica and its re-listing on the Australian Securities Exchange (ASX). The funds will be used to support the Phase 2 clinical trial of Mimetica's potential breakthrough topical acne treatment MTC896.

MTC896 is a small molecule therapeutic designed to reduce excess sebum (oil) production. There is a well documented correlation between excess sebum production and acne. The Company is seeking to demonstrate that MTC896 is effective in reducing sebum production and, therefore, in reducing or preventing the occurrence of acne. There is no currently approved topical acne treatment that reduces the excess sebum production.

In clinical trials conducted to date the topical formulation of MTC896 has demonstrated a favourable safety profile with positive initial indications of its ability to reduce sebum production.

The planned Phase 2 clinical trial will take place in the US and will seek to demonstrate clinical efficacy in reducing acne in 240 subjects with moderate-to-severe acne in a 12-week double blind, randomised controlled study.

The demand for improved acne therapeutics is high with few treatment innovations or improvements in the past ten years. Despite this the acne market in 2010 accounted for approximately \$2.8 billion in prescription drug sales across the seven major target markets of the US, Japan, Germany, France, Italy, UK and Spain.

The acquisition and listing of Mimetica is actively supported by two of Australia's most respected specialist bioscience investors. Queensland Investment Corporation (QIC) through QIC BioVentures (QBV) will invest \$1.5m under this Offer while a further \$1.5m was recently invested in Mimetica by Melbourne-based venture capital investor Starfish Ventures.

Telesso plans to raise \$6.5 million through the placement of 26 million shares at \$0.25 each, giving the Company a post IPO market capitalisation of \$24.5m. The funds raised are expected to see the Company through the Phase 2 clinical trial with completion due in the first half of 2015. The Offer opens to investors today and is

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scheduled to be open for four weeks with an expected ASX relisting on about 15 October 2013, subject to re-compliance with chapters 1 & 2 of the ASX listing rules.

Telesso will issue scrip to Mimetica shareholders to acquire all shares in Mimetica. Existing Telesso shares will be consolidated at a ratio of approximately 6.7 shares to one. Following completion of the capital raising and the acquisition of Mimetica, Telesso Technologies intends to change its name to Mimetica Limited, subject to shareholder approval.

“There has been little innovation in acne treatment in the past decade and Mimetica’s product has the potential to become the new gold standard in this market,” said Telesso Chairman Michael Hoy.

“Acne causes great distress for hundreds of millions sufferers worldwide and can result in anxiety and social problems. We plan to address this unmet need.”

“Approximately \$15m has already been spent developing MTC896 to this proof of concept stage including trials on approximately 400 people. This capital raising and listing on the ASX is a vital step in progressing the technology toward clinical approval while creating value for our shareholders.”

Acne vulgaris is a chronic skin disease that affects most individuals at some stage of life although it is particularly common in people aged 15-24. The severe physical appearance of acne, often on the head and neck, frequently leaves sufferers embarrassed and withdrawn. Acne results from the excessive production of sebum made by the skin’s sebaceous glands, which when combined with dead skin cells forms a plug that develops into acne. No currently approved topical treatment reduces the oily sebum production, something Mimetica plans to address with MTC896.

The capital raising is being managed by Phillip Capital.

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About Mimetica

Mimetica Pty Ltd is a private Australian drug development company focused on the development of novel prescription therapeutics for the treatment of *acne vulgaris* (acne). Mimetica, founded in Brisbane Australia in 2001, was formed to develop a drug discovery platform technology based on the rational design of small molecules that mimic natural peptide hormones. Mimetica successfully applied this technology to generate novel drug candidates and has advanced one of these, known as MTC896, into Phase 2 clinical development as a potential new topical treatment for acne.

About Telesso

Telesso Limited is a listed entity in the pharmaceuticals, biotechnology and life sciences industry. The company previously conducted research into various aspects of supercritical fluid technology and its various applications in the medical field. Prior to, and since, the sale of this technology to a US-based pharmaceutical company Telesso has conducted a review of various investment opportunities in its area of expertise.

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