



## ProMetic Life Sciences Inc. Jumps More Than 21% on FDA Designation

### Description

Today, shares of **ProMetic Life Sciences Inc.** (TSX:PLI) jumped more than 21% in early morning trading on news that its plasminogen drug, Ryplazimä, has been granted a “Rare Pediatric Disease” designation by the U.S. Food and Drug Administration (FDA), a drug which I [covered](#) in late December amid the beginning of a slide which has continued for ProMetic since the beginning of the year.

My thesis at the time was that the pipeline of drugs for ProMetic was not being accurately priced by the market, with the probability of success for the company’s Ryplazimä not fully appreciated by the market at the time. Despite the company’s stock price dipping another 35% since my initial article on the biopharmaceutical company, this most recent rebound following news of the FDA designation has sent ProMetic’s share price abruptly higher, reflecting much of the positive market sentiment stemming from the new designation.

The FDA has now provided three designations for Ryplazimä; in addition to a Rare Pediatric Disease designation, the drug has also received Orphan Drug status as well as Fast Track status — designations which highlight the importance of the drug and the current unmet need in the market for plasminogen treatments such as Ryplazimä.

If Ryplazimä indeed receives final FDA approval, the drug is in line to receive a rare pediatric disease priority voucher, which can be used to accelerate the review of an existing drug within the company’s pipeline or be sold off to a third party for a tidy profit. This is a rare asset handed out only in cases of significant unmet need: a scenario which has played out in favour of ProMetic’s Ryplazimä drug.

ProMetic’s chief executive officer Pierre Laurin spoke to the recent FDA announcement in a press release:

“We are pleased that Ryplazimä<sup>TM</sup> has received this pediatric designation from the FDA. In addition to Ryplazimä’s<sup>TM</sup> orphan drug status, this designation represents another validation of the approach we have taken regarding our plasminogen’s clinical program...The pediatric designation also provides an important incentive for ProMetic to continue developing therapies addressing unmet medical needs for children with rare

diseases. We look forward to continue to work closely with the FDA to bringing this innovative therapy to patients suffering from plasminogen deficiency.”

### **Bottom line**

This is yet another step in the right direction for ProMetic — a company with a significant amount of promise in the Canadian bio-pharmaceutical space, one which has been hit hard in recent years. I will be watching this company closely over the coming weeks and months as new developments continue to roll in.

Stay Foolish, my friends.

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