

Seelos Therapeutics

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Roth applauds Seelos' shift towards major depressive disorder with SLS-002; rates shares 'Buy'

Broker Roth Capital Partners applauded New York clinical-stage biopharmaceutical company Seelos Therapeutics Inc's (NASDAQ:SEEL) recent shift towards using its drug SLS-002 to treat major depressive disorder (MDD) rather than post-traumatic stress disorder (PTSD).

Roth analysts view MDD as a "more substantial commercial opportunity" and potential for quicker trial enrollment. The broker reiterated a 'Buy' rating for the stock.

Analyst Yasmeeen Rahimi noted that Seelos received FDA fast track designation for SLS-002 for the treatment of Acute Suicidal Ideation and Behavior (ASIB) in Major Depressive Disorder (MDD) on November 18.

READ: Seelos starts dosing in Phase I PK/PD study of SLS-002 intranasal ketamine depression drug

"This development not only highlights FDA's recognition of the high unmet need for MDD patients, but also allows for more frequent communication with the FDA and potential for Accelerated Approval or Priority Review, which could expedite SLS-002's path to approval," said the analyst.

Seelos was quick to execute, added Rahimi, and announced dosing of the first patients on November 20 in a Phase I drug-drug interaction (DDI) study to show the drug can be safely administered with two commonly prescribed antidepressants over 14 days.

And on November 27, the group announced first dosing in a Phase I Pharmacokinetic (PK) and Pharmacodynamic (PD) two part study in 62 healthy volunteers.

PK/PD data will be critical for establishing safety of SLS-002, said Roth, which added that strong data here would be key for establishing dosing and de-risking the upcoming POC (proof of concept) study in MDD suicidality.

Notice of allowance

This week, Seelos won a notice of allowance for another US patent for SLS-005 (trehalose) - its investigational molecule targeting a number of neurodegenerative conditions.

"In our view, this patent strengthens SEEL's position in addressing neurodegenerative diseases, and adds another wall of patent protection for trehalose," said Rahimi.

Roth reiterated a \$8 share target on the stock, which is around eight times' the current price of \$1.04, up 6.6% on Friday in New York.

This target is derived from a risk-adjusted net present value analysis, based on \$5.90 per share for SLS-002 for acute

Price: 0.8687

Market Cap: \$30.84 m

1 Year Share Price Graph



February 2019 August 2019 February 2020

Share Information

Code: SEEL

Listing: NASDAQ

52 week	High	Low
	7.49	0.72

Sector: Pharma & Biotech

Website: seelostherapeutics.com

Company Synopsis:

Seelos Therapeutics, Inc. is a clinical-stage biopharmaceutical company focused on the development and advancement of novel therapeutics to address unmet medical needs for the benefit of patients with central nervous system (CNS) disorders and other rare disorders. The Company's robust portfolio includes several late-stage clinical assets targeting psychiatric and movement disorders, including orphan diseases.

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suicidality in the US; \$0.90 per share for SLS-005 for Sanfilippo in US and \$0.80 a share for SLS-005 for OPMD, which is a type of muscular dystrophy, which has 20,000 patients worldwide, said the broker.

Sanfilippo Syndrome is a rare genetic condition in which the body doesn't have certain enzymes to break down long chains of sugar molecules and it can cause fatal brain damage.

SLS-005 is currently under an open-label Phase 2B study, fully funded by the Team Sanfilippo Foundation.

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