

## QBiotech could seek financial advisor in mid-2014 to secure partner or sale for anti-cancer treatment, CEO says



**QBiotech**, an unlisted public Australian life sciences company, could look to hire a financial advisor in mid-2014, said CEO Victoria Gordon. The company expects to have first data of its clinical Phase I/II trial for its human anti-cancer treatment by then and would need an advisor to assist in starting the search for a co-development partner or sale, she explained.

The company could also be ready for a liquidity event in the next 18 to 24 months, which could be a trade sale or IPO, she added.

The Queensland-based company has identified an active medical compound (EBC-46) from the bluishwood plant, which has demonstrated anti-tumour properties in the clinical treatment of cancer in companion animals. It has also derived another compound, called WH-1, from the same plant, which has shown wound healing capability in pet dogs, Gordon said.

QBiotech has had preliminary interest from large pharmaceutical companies in its human anti-cancer treatment and ideal partners or buyers would be one of the main players in oncology like **Eli Lilly** (LLY:NYSE), **Roche** (ROG:SIX) and **GlaxoSmithKline** (GSK:LSE), Gordon said, noting that some have shown an appetite for outright deals as opposed to licensing agreements.

QBiotech, which is currently raising AUD 10m-AUD 15m (USD 9.5m-USD 14.2m), has secured AUD 10m in pre-registered interest from existing shareholders, high net worth individuals and retail investors, valuing the company at AUD 100m, Gordon said.

The company, which also raised AUD 10m in 2010, has sufficient funds to complete the EBC-46 Phase I/II human trial, to take EBC-46 trials for companion animals through to registration, and to take WH-1 human trials to Phase I/II and WH-1 animal trials through to registration, Gordon said.

With regard to outright deals in the human anti-cancer treatment space, Gordon noted that, in 2008, for example, Eli Lilly bought **ImClone**, for USD 6.5bn, on a multiple of 130x profit, for its head and neck and colorectal cancer drug ERBITUX. In 2009, Danish company **Leo Pharma** acquired pre-cancerous skin lesions treatment company **Peplin** for USD 348m.

Examples of licensing deals for anti-cancer drugs in development include German company **Boehringer Ingelheim**'s USD 815m January 2012 deal with **Forma Therapeutics**, which was still in development stage for a treatment for multiple cancers, and Horsham, Pennsylvania-based **Janssen Biotech**'s USD 975m deal with **Pharmacyclics** for its late-stage blood cancer drug ibrutinib, she added.

QBiotech has appointed a CRO for its Phase I/II human anti-cancer treatment trial, which is expected to start in Australia this year (2013), and be completed in mid-2015, Gordon said. Potential indications for the drug include skin cancers, head and neck cancers, breast cancers, prostate cancers, and other tumours where injection can be guided by imaging, she said.

QBiotech's current capital raising is being handled by the company's corporate finance manager Reuben Buchanan. Other current advisors are KPMG, which prepared the prospectus for the capital raise, and Crowe Horwath. ANZ is QBiotech's commercial banker.  
by Louise Weihart in Sydney

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