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Ophthotech Quickly Snares \$36M And 2 AMD Licenses

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Washington Editor

The core management team that hit a home run with the first vascular endothelial growth factor (VEGF) inhibitor for the eye, which resulted in a \$900 million merger and acquisition deal, is taking another swing at bringing new molecular entities to the marketplace with a newly formed company.

Former Eyetech co-founders David R. Guyer and Samir Patel have formed Ophthotech, which announced Series A financing of \$36 million and two in-licensing deals for compounds for age-related macular degeneration (AMD).

SV Life Sciences led the round with HBM BioVentures and Novo A/S participating.

Guyer, former chief executive officer for Eyetech, is serving as Ophthotech's chairman of the board, and Patel is president and CEO.

The entrepreneurs found success with the anti-VEGF product Macugen (pegaptanib sodium), approved by the FDA in 2004 for the treatment of neovascular (wet) AMD.

Wet AMD, the leading cause of blindness in the U.S., occurs when abnormal blood vessels start to grow under the macula, the central portion of the retina that is responsible for focusing central vision and aids with the ability to read, recognize faces and colors and see objects in fine detail.

Macugen binds to the VEGF protein that triggers the abnormal blood vessel growth, ultimately slowing vision loss.

Betting on Macugen's potential for success, Melville, N.Y.-based OSI Pharmaceuticals acquired Eyetech in November 2005 for \$935 million in cash and stock.

Many investors were baffled that OSI would take such a risk on a one-drug firm like Eyetech, especially after results of a Phase III study examining Genentech's Lucentis (ranibizumab), a humanized monoclonal antibody fragment, showed that drug to be highly effective in treating wet AMD, which set the stage for Lucentis to be an aggressive rival to Macugen. (See *BioWorld Today*, Nov. 4, 2005.)

Indeed, after Lucentis entered the U.S. market in June 2006, sales of Macugen tumbled.

But Patel does not view Lucentis' success as a failure for Macugen.

The attention both drugs have received, he said, makes it clear that there is still a "very large market space" available for further opportunities in development and commercialization of newer and better AMD therapies.

As part of its strategy to move from "infancy to adolescence" in product development, Patel said, Ophthotech, based in Princeton, N.J., entered into a licensing agreement with Archemix, of Cambridge, Mass.

Archemix has granted Ophthotech worldwide rights to all ophthalmic uses of the firm's proprietary aptamers, short oligonucleotides that form three-dimensional structures that bind with high specificity and affinity to protein and nonprotein targets, targeting the C5 component of the complement cascade.

Ophthotech's anti-C5 aptamer, Patel said, will be the first breakthrough drug for dry age-related macular degeneration, which occurs when the light-sensitive cells in the macula slowly break down, gradually blurring central vision in the affected eye.

Dry AMD is more common than wet AMD. There are currently no treatments on the market for dry AMD.

"Dry AMD is an enormous market with major unmet medical needs," Patel said, noting that about 8 million Americans and an additional 8 million Europeans have the condition.

The other licensing agreement Ophthotech announced involves a deal with OSI, the firm that acquired Eyetech.

OSI is transferring to Ophthotech all rights to Eyetech's anti-platelet derived growth factor (PDGF) aptamer program, including rights to its preclinical compound EI0030, in exchange for an up-front cash payment, an equity interest in Ophthotech and potential future milestones and royalties. Financial details of the in-licensing agreements were

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not disclosed.

In preclinical studies, EI0030 demonstrated the potential to regress neovascularization when used in combination with a VEGF inhibitor, Ophthotech said.

“Wet age-related macular degeneration is a huge opportunity for combination therapy,” Patel said.

Anti-VEGF therapy, he said, “is still in its infancy.”

“Wet AMD is very similar to cancer therapeutics where combination therapies have resulted in efficacy,” Patel said. “Preclinical studies in both oncology and ophthalmology have shown that when you have a therapeutic regimen that

combines and targets anti-VEGF agent with anti-PDGF agent, you get regression of the neovascularization.”

Patel said that Ophthotech has recruited a stellar team of ex-Eyetech executives “who have tremendous expertise and experience in developing these molecules in a very accelerated fashion and bringing them to the marketplace for patients with these very unfortunate diseases.”

In addition to Patel and Guyer, Ophthotech’s board includes former Eyetech chairman of the board Henry Simon of SV Life Sciences, Axel Bolte of HBM BioVentures, and Thomas Dyrberg of Novo A/S. ■