Alchemia issues shares, raises $10 mn

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Singapore: Australian-based drug discovery and development company Alchemia has raised $10.44 million (A$10.2 million) via an institutional placement of approximately 34 million new shares to investors in Australia and the US at $0.31 (A$0.30) per share as institutional placement. The company plans to raise an additional $2.06 million (A$2.01 million) via a share purchase plan (SPP), which together with the institutional placement is being termed capital raising.

Alchemia reserves the right to scale back applications under the SPP or increase the amount raised under the SPP, at its discretion, if the company receives valid applications exceeding $2.05 million (A$2 million). RBS Morgans has acted as leader manager to the institutional placement in Australia.

The heavily oversubscribed institutional placement ensures that the company's pivotal phase III trial of its lead drug candidate HA-Irinotecan in patients with advanced colorectal cancer is funded. Data from this trial is expected to be reported early in 2014.

Proceeds from the capital raising will be deployed primarily to complete the company's phase III trial of HA-Irinotecan in metastatic colorectal cancer (mCRC). In addition, funds will be deployed in the scale up of manufacturing for HA-Irinotecan, progression of the company's phase II small cell lung cancer trial as well as for R&D and ongoing corporate expenses. Alchemia will continue to pursue the independence of its oncology subsidiary, Audeo Oncology.

"We are extremely pleased with the level of demand from new and existing institutional and specialist healthcare investors in the US and Australia. With our FDA approved generic anti-coagulant product fondaparinux generating revenues, our phase III trial fully recruited, two high potential platform technologies, and a strong financial position, Alchemia is in an enviable position," said Mr Charles Walker, Alchemia's chief executive officer.