CEO CFO

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The Opportunity To Bring A Product To The Marketplace Dramatically Increases As Antisoma PLC Brings Two Products, Their ASA404 For Non-Small Cell Lung Cancer And Their AS1413 For Acute Myeloid Leukemia (AML) Through Late-Stage Clinical Trials

Biopharmaceutical
Cancer Drugs
(ASM-LSE)

Eric Dodd
CFO and Executive Director

BIO:
Eric, 39, joined Antisoma plc as Chief Financial Officer in November 2008. He was previously Group Finance Director at Morse plc, a consulting IT services and technology company. Before joining Morse in 2005, he held management positions at a number of companies, including GlaxoSmithKline, where he worked in the UK pharmaceuticals business. Mr. Dodd qualified as an accountant with Deloitte and holds an MBA from London Business School.

Company Profile:
Antisoma is a London Stock Exchange-listed biopharmaceutical company that develops novel products for the treatment of cancer. The Company has operations in the UK and the US. Please visit www.antisoma.com for further information about Antisoma.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com

CEOCFO: Mr. Dodd, you have a long history in the industry, what attracted you to Antisoma?
Mr. Dodd: Antisoma is in a very exciting industry, and having spent a period of time working at a big pharmaceutical company, I thought it was an exciting opportunity to join a biotech.

CEOCFO: What is the vision for Antisoma today?
Mr. Dodd: The vision for Antisoma is to be a fully commercial specialist oncology pharmaceutical company.

CEOCFO: How do you get there?
Mr. Dodd: We have a couple of products now in late-stage, phase III trials, which read out at the end of next year or the beginning of the year after. If one or both of those products are successful, we will become a company with sustainable revenues from sales.

CEOCFO: Would you tell us a little about the products and the science behind them?
Mr. Dodd: One, ASA404, is a product being investigated for non-small cell lung cancer, which most people count as the most prevalent cancer, and for which there are no really satisfactory treatments. This product is being developed in partnership with Novartis. Data from initial trials showed a substantial survival benefit with ASA404 in lung cancer patients, so that is very exciting. The other phase III drug is AS1413, being developed for a particular type of leukemia. This initially addresses a smaller market opportunity, but one where current treatments are very poor and with scope to expand into broader use after the launch.

CEOCFO: What does your first product do better?
Mr. Dodd: ASA404 is a leader in a new class of drugs that target established blood vessels within the tumor. This is a new way of targeting cancer.

CEOCFO: Is this an area where there is a lot of research or is Antisoma going it alone?
Mr. Dodd: There are a number of products now in this field, but we are a leader in the field.

CEOCFO: Would you tell us about the leukemia product?
Mr. Dodd: AS1413 is a chemotherapy drug with distinctive features. Key among these is its ability to sidestep resistance mechanisms, which limit the effectiveness of many currently available treatments.

CEOCFO: You have several other products you are working on as well, so you have a lot in the pipeline!
Mr. Dodd: Yes, we have four products in the clinic and a number in pre-clinical areas. The nature of our industry is that you always need to have a pipeline of products coming through because a number of products fail in development.

CEOCFO: How do you decide what products to take on or what areas to address?

Mr. Dodd: Our business model is really that we have a search and development rather than a research and development in that we do not do any basic research. We have very close links with a number of universities and research organizations, both in the UK and overseas. We often in-license products in the early stage before human testing begins but when they have shown clear evidence of potential to treat human cancer. We are also interested in late-stage products. Last year we bought a company based in Cambridge, MA, to acquire the phase III drug AS1413, but historically most of our products have come in at an early stage of development.

CEOCFO: What is the financial picture like today?

Mr. Dodd: We have $100 million in the bank, so we are well placed and in a strong position. That will be enough to cover our activities until mid-2011, which takes us past the time we expect the read-outs on these big phase III trials. If these trials yield positive results, we expect to be moving towards a cash positive position.

CEOCFO: That is unusual for biotech!

Mr. Dodd: It is. We are fortunate that we have an industry leading business development function. We have been able to make a deal where we sold a non-core product for $60 million, which extended our cash runway. So we are in a fortunate position where we are well funded at the moment.

CEOCFO: Is the investment community paying attention?

Mr. Dodd: In the UK we have a much smaller biotech industry than in the US. In the US there are more sophisticated investors and there are a much greater range of companies for them to invest in. Therefore, we spend a lot of time in the US attending conferences and speaking to those investors. Sadly, in the UK, but also across the rest of Europe, the pool of both companies and investors is smaller, and that is a challenge for the industry. We have, however, had some very good support from European investors as well as US investors over many years.

CEOCFO: Have you found much difference under this economy?

Mr. Dodd: We have not been greatly affected ourselves as we are well funded. Some companies in our sector have faced difficulties, as it has been a challenging time if you need to raise new capital. Because we are currently pre-revenue we don't have the challenges of revenue margin compression that many other companies face.

CEOCFO: You recently discontinued a drug that you were looking at; how do you make the decision, is it easy to decide to let it go?

The vision for Antisoma is to be a fully commercial specialist oncology pharmaceutical company. - Eric Dodd

Mr. Dodd: One of the things that we do, which is following the gold standard of research and development, is that we try to run randomized studies, so we compare our drug with existing therapies to make sure that there are definite benefits. It is more expensive way to run a trial because they have to be bigger. For example, for this drug you were referring to, we were running a trial in breast cancer and periodically data is reviewed by independent committees and they made us aware that while there was no toxicity problem, it was unlikely that the product was going to show a clinical benefit over the comparator arm. So if the product was not going to show a clinical benefit, there was no value in continuing the trial. It is unfortunate when you have a product that you have spent maybe 7 million pounds or $10 million developing that it is going to be unsuccessful, but that is the nature of drug development. We have another product that is in Phase II development that had a good read-out this year, so we have had a 50% success rate, which is fairly typical of Phase II. It is the nature of the business we are in.

CEOCFO: What is ahead?

Mr. Dodd: During the second half or the remainder of this year we have some more data reading out from a phase II study of our AS1411 product. We will need to interpret that data and consider how we should be taking the product further in development. What we really are beginning to do is the market preparation and if ASA404 and AS1413 are successful, we will need to go about setting up commercial operations. So that is something we are beginning to spend some time with.

CEOCFO: Why should potential investors choose Antisoma?

Mr. Dodd: I would say that compared to the comparable oncology companies, we are very cheap for the value opportunity that we represent. We have two late-stage products, and normally the percentage for success is 50-65% for late stage products. If either of the products are successful we will have revenues of cash flow in the hundreds of millions of dollars. We think we are an attractive investment proposition and we are beginning to see some recognition of that in our share price. Over the last month, we are up over 30%, but many of our US oncology peers are up 100% year-over-year. Therefore, on a relative basis we are attractive compared to many of the US oncology companies.

CEOCFO: Final thoughts, what should people remember most about Antisoma?

Mr. Dodd: What people should remember is that we think we are unusual in having two shots at the goal as we have two late stage products, rather than just one. So the risk of both products failing is really quite low now. Therefore, there is a really good chance that we will soon be graduating into a fully commercial operation.