

Cancer specialist BeyondSpring lands on the Nasdaq with a \$54M IPO

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Cancer therapeutics biotech BeyondSpring scored \$54.3 million in a combination IPO and private placement. The total falls well short of its initial \$100 million target and relied almost exclusively on the placement for the bulk of its cut-price raise.

In all, \$50 million came from a private placement announced last week after the target value of the public offering sank to just \$12 million. In the end, the public offering consisted of just 174,286 shares of the company's common stock—down from the previously announced offering size of 476,191 shares—at a price of \$20 per share.

Since the company first filed for the IPO back in November, the deal value bounced from \$100 million to \$75 million, then to just \$12 million.

Given its sinking interest, the company tacked on a new bullet point to the offering that saw the group of investors buying up \$50 million worth of shares at the IPO price in a separate deal.

The total size, including the private placement, came to \$54.31 million before excluding bookrunner commissions for Rodman & Renshaw and H.C. Wainwright. According to the company's SEC filings, that cash is going straight toward BeyondSpring's large pipeline of cancer drugs in development.

This includes its big, late-stage hope plinabulin, which is currently being evaluated in a phase 3 program at testing sites in China, the U.S. and Australia. The company is assessing the product in combination with docetaxel in patients with non-small cell lung cancer.

The drug has already shown its anticancer ability in a phase 2 trial, demonstrating a median survival of 11.3 months, while patients who were treated with just docetaxel had a median survival of just 6.7 months.

In preclinical research, plinabulin also noticeably boosted the survival of neutrophils, white blood cells that help ward off infection. Specifically, it sparked a statistically significant drop in grade 3 and grade 4 neutropenia, which is when neutrophils reach dangerously low levels—a condition that occurs in as many as 40% of patients on docetaxel.

Now, the company has advanced plinabulin into two phase 2/3 trials aimed at assessing its efficacy against both grade 3 and 4 neutropenia.

BeyondSpring is cranking out new clinical trials at a rapid-fire pace. Apart from its three late-stage programs for plinabulin, the company has advanced the product into multiple planned phase 1/2 programs to test it out in combination with Bristol-Myers' I-O med Opdivo (nivolumab). The drugmaker also has three preclinical agents in the works internally, and says it will generate as many as six new agents annually for the next five years.

That might sound ambitious, but the company's unique business model and its presence in China allow it to complete clinical programs at a fraction of the price—and in a much shorter length of time too. In addition to setting up offices in Chinese biotech hotspot Dalian, BeyondSpring taps most of the participants for its clinical trials from the immensely populous country.

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