

## Tucson cancer-drug firm eyes IPO to raise \$29 million



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A Tucson-based cancer drug company is looking to raise \$29 million in an initial public offering of stock, and continues to raise private funding and form key partnerships.

Cancer Prevention Pharmaceuticals Inc. — whose leading drug candidate is based on technology developed partly at the University of Arizona — is waiting for the U.S. Securities and Exchange Commission to declare its stock registration statement effective, after which it will be priced and issued.

In the meantime, the company is in a required “quiet period” ahead of the effective date of its offering, during which it can’t publicly disclose or discuss most company affairs.

Cancer Prevention Pharmaceuticals, which is in advanced clinical trials with a drug to prevent colon cancer, also recently entered into a multimillion-dollar pre-licensing

agreement with a Maryland-based drug company.

The company is in a Phase III clinical trial of the drug for use in preventing a rare, teenage-onset disease called familial adenomatous polyposis, which often leads to colon cancer. Along with the National Cancer Institute and SWOG (formerly Southwest Oncology Group), the company also is co-sponsoring a large clinical trial of the drug combination to see if it helps colon-cancer survivors avoid relapse.

And the company is involved in other, early-stage trials for the drug’s use to ward off relapses of neuroblastoma (a childhood cancer), and in treatment of gastric cancer and early-onset Type 1 diabetes.

Sucampo Pharmaceuticals recently agreed to an option to buy an exclusive license to commercialize the local company’s flagship drug combination product, CPP-1X/sulindac, in North America.

Under the agreement with Sucampo Pharmaceuticals, the Maryland company will invest \$5 million in Cancer Prevention Pharmaceuticals in the form of a convertible note —

short-term debt that converts to stock — and make an additional \$5 million equity investment.

If Sucampo exercises its license option, it would pay Cancer Prevention Pharmaceuticals up to \$190 million over time as the company meets certain clinical development and sales milestones.

Sucampo and Cancer Prevention would split any profits from future sales, according to a Sucampo news release.

“We believe that this product represents a substantial market opportunity and, given clinical results to date, could be a valuable asset for Sucampo that leverages our gastrointestinal expertise and strategic focus,” said **Peter Greenleaf**, chairman and CEO of Sucampo.

While Sucampo’s development option covers North America, Cancer Prevention about a year ago inked an exclusive licensing agreement with a Swiss drug company for European and Japanese rights to develop and commercialize the CPP-1X/sulindac combination for treatment of familial adenomatous polyposis and other gastrointestinal ailments.

The local company could get payments of more than \$100 million over time for hitting drug development and sales milestones, as part of its agreement with Tillotts Pharma AG, part of Tokyo-based Zeria Pharmaceutical Co. Ltd.

Cancer Prevention Pharmaceuticals Chairman and CEO **Jeff Jacob** declined to comment, citing the IPO quiet period.

In its registration filing, the company is seeking a listing on the New York Stock Exchange’s small-cap market, NYSE MKT, under the ticker symbol “CPP.” Proceeds would go to advance the company’s clinical trials and other corporate purposes. The underwriter for the stock offering is Aegis Capital Corp.

Cancer Prevention Pharmaceuticals licensed its drug technology from the UA and the University of California-Irvine. The company was co-founded by retired University of Arizona professor and Arizona Cancer Center member **Eugene Gerner** and Dr. **Frank Meyskens Jr.**, an oncologist and former Arizona Cancer Center member who is now associate vice chancellor of health sciences at the University of California-Irvine.

Jacob is a UA engineering alum and former executive with Research Corporation Technologies and the Critical Path Institute, a Tucson-based nonprofit that collaborates with industry and regulators on drug-research testing and standards.

Besides the licensing deals, Cancer Prevention Pharmaceuticals has a contract manufacturing agreement with French drug giant Sanofi, which has a major research center in Oro Valley. Sanofi formerly manufactured CPP-1X as a treatment for African Sleeping Sickness and hirsutism.

## More information

To view the registration statement Cancer Prevention Pharmaceutical filed with the SEC, go to [usa.gov/1SCndVU](http://usa.gov/1SCndVU)