

## Omthera aims to fund Epanova launch with IPO



[Elizabeth Cairns](#)

Amarin's Vascepa might be a byword for disappointment, but its rival fish-oil developer Omthera is not discouraged. The company intends to conduct a \$75m IPO with the intention of funding the approval submission and launch of Epanova, its candidate for severe hypertriglyceridaemia.

The trouble is, all the negatives that cling to Vascepa also apply to Epanova. Neither company has managed to convince the FDA that their respective products are worthy of new chemical entity (NCE) status, and neither has managed to bag a partner. With potential licensees for Epanova perhaps put off by Vascepa's tardy launch, Omthera might have had to turn to flotation as its only means of raising the necessary cash to move forward.

In the summer, Omthera plans to submit an application to the FDA for Epanova to treat patients with triglyceride levels greater than or equal to 500mg/dl, the patient population in which Vascepa is already approved.

The FDA's ongoing refusal to grant Vascepa NCE status, which would give it five years of market exclusivity as opposed to just three, likely resulted in Amarin's failure to find a partner and forced it into a delayed, in-house launch. Amarin only started marketing the drug in the US in January, despite its July approval.

If Vascepa cannot swing NCE designation, there seems to be little reason why Epanova should. Omthera says that because Epanova is a free fatty acid form of omega-3 oils – it is a mixture of eicosapentaenoic acid (EPA) and docosahexaenoic acid (DHA) – as opposed to ethyl-ester forms such as Vascepa and GSK's Lovaza, and is therefore active at lower doses than its rivals, it is eligible as an NCE.

### OMTH

That Omthera is in need of money is not in doubt. With no drugs on the market – Epanova is its only project – the company has yet to generate any revenue. Its net loss in calendar 2012 was \$28m and had \$2.5m cash on hand at December 31.

The company soon to be known by the soubriquet "OMTH" on the Nasdaq Global Market has not disclosed how many shares it will offer, or at what price. Currently, Omthera's main stockholders are Sofinnova Capital, with 38.8% of the outstanding shares, and New Enterprise Associates with 29.9%.

What is harder to understand is why investors would be interested in buying a chunk of a company with a drug that could be destined to join Vascepa in the remainders bin.

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