

# The Philadelphia Inquirer

## Berwyn biotech firm to be sold

**Eximias Pharmaceutical Corp. is being acquired in a cash-and-stock deal worth more than \$30 million.**

By Linda Loyd, Inquirer Staff Writer  
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A small Berwyn biotechnology company set out to reinvent itself eight months ago when its experimental drug for inoperable liver cancer did not pan out.

Now Eximias Pharmaceutical Corp. is being acquired, in a cash-and-stock deal worth more than \$30 million, by a Canadian company developing cancer products.

YM BioSciences Inc., of Toronto, said it was buying privately held Eximias for its seasoned management team and cash resources in excess of \$30 million, and to establish a U.S. presence in Chester County.

YM said it did not intend to further develop Eximias' products "at this time." That includes a chemotherapy drug for inoperable liver cancer that in 2004 attracted one of the largest private-equity investments in a local biotech firm: \$63.5 million.

Under the deal, expected to close next month, Eximias will become a wholly owned subsidiary and operate in Berwyn as YM BioSciences USA Inc. Eximias president and chief executive officer Gail Schulze will become president of the parent YM BioSciences. She also will be CEO of YM BioSciences USA Inc.

Eximias' flagship compound, Thymitaq, had been in late-stage testing in patients with inoperable liver cancer since 2001. Then, last August, a Phase 3 clinical trial showed that Thymitaq, known by the chemical name nolatrexed dihydrochloride, did not prolong patients' lives any better than an older generic chemotherapy treatment, doxorubicin.

The study's findings were a huge blow to Eximias, which has 12 employees.

"The people are a very key part of this deal," Schulze said. "We have kept them despite the trial failing. The concept was, how do you leverage the cash, plus the capability of the people, into a new venture?"

YM has "very interesting" oncology products, including for advanced breast cancer, in late development, she said. YM BioSciences wanted to expand operations into the United States, and Eximias offered expertise in late-stage drug development.

The acquisition "is something we worked very hard to get to, and are very happy to get to," said Schulze, who joined the company in February 2005.

Under the deal, Eximias shareholders will be paid in cash or stock in YM BioSciences. YM will buy Eximias for "a number of common shares equivalent to the cash resources of Eximias at closing," or a minimum of about 4.5 million shares as well as a "premium of about 450,000 shares in recognition of the value of the organization," the Canadian company said.