Aldoxorubicin Continues To Prove Itself As A Viable Cancer Treatment

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Just over a month ago, I wrote an article to educate investors about a company called CytRx (CYTR) that has a drug named aldoxorubicin. In that article I described how it has the potential to possibly replace a widely used chemotherapy drug by the name of doxorubicin. The reason this is a good possibility is because the former drug has shown promise in its clinical trials.

New interim trial data continues to show the future potential of this drug as a substitute for the widely used doxorubicin. Let's take a look at the recent data that was released and also explore a little bit more about the fundamental and financial position of the company.

More Data Strengthens the Outlook for Aldoxorubicin

Interim clinical data from a multi-site Phase 2b trial for the first-line treatment of advanced soft tissue sarcomas, known as STS, was recently presented at the Connective Tissue Oncology Society's Annual Meeting. The study compared the company's aldoxorubicin to the present standard of care for STS, doxorubicin.

STS is a cancer that can occur anywhere in the body at any age, but usually is found in muscles, fat, blood vessels, tendons and other connective tissues. There are more than 50 types of STS, and the National Cancer Institute says that over 11,000 new cases are diagnosed each year in the U.S. and over 4,000 people die from it also.

The recent results from the Phase 2b trial reinforces the possibility that aldoxorubicin could one day replace doxorubicin.

Let me point out the highlights of the study for you:

- There were 123 patients enrolled, ages 18 to 80 with locally advanced, unresectable and/or metastatic STS
- Aldoxorubicin can be administered at doses greater than 3 1/2 times the standard doxorubicin dose with similar or fewer systemic side effects
- A higher percentage of patients receiving aldoxorubicin completed the maximum of 6 cycles of treatment
- The aldoxorubicin treated patients had a greater number of tumor responses (22% vs. 0%) meaning the tumors had shrunk by at least 30%
- A lower percentage of patients treated with aldoxorubicin (32%) showed progressive disease compared with patients treated with doxorubicin (50%) at the time of analysis
- There was no clinically significant reduction in cardiac function in the aldoxorubicin patients despite receiving 3 ½ times the standard dose of doxorubicin at each cycle

These findings strengthen the observations that patients receiving aldoxorubicin can tolerate 3 ½ times the standard dose of doxorubicin with fewer side effects including impaired cardiac functions. At the same time, patients also showed a greater positive response to treatment.

Even though these findings should excite long-term investors, the company still needs to conduct a Phase 3 trial in order to get FDA approval. It is also important that we understand the financial position of the company since it has yet to bring this product to market.
3rd Quarter Finances

My previous article mentioned that the company is in the research and development stage, but I like to get into its financials so that investors better understand the company's current situation.

The company spent $4 million this last quarter, and $3.3 million of that was directly related to aldoxorubicin research and development.

As of the end of September, the company reported about $23 million in short-term investments and cash equivalents. The company also has no debt.

Issuing More Stock

In early October of this year, the company announced an offering of 10 million shares of common stock at a price of $2.25 per share, intending to raise $22.5 million. The company added 1.5 million shares not long afterward and adjusted its raised capital to about $25.9 million. The money from the public offering will be used to fund research and development, including the clinical trials for aldoxorubicin and for general corporate purposes.

As with most companies in the biotech field, when the company is in research and has not yet brought a "product to the market," it relies on raising investment capital continue to operate. I am encouraged by the interim clinical trial results to date and am optimistic for the additional phase 2b trial data which the company expects to report in December. As the company gets closer to FDA approval of aldoxorubicin, I would expect to see the share price increase in value as most biotech companies do.