



San Antonio biotech firm readies skin treatment for distribution

ViroXis Corp. has signed a licensing agreement with a global pharmaceutical company to market over-the-counter products containing sandalwood oil.

The San Antonio-based biotech company has been working to develop a treatment for skin warts using byproducts of the East Indian Sandalwood tree. The company recently wrapped up a Phase 2 clinical study of its treatment for the Human Papilloma Virus (HPV), which causes skin warts.

The long-term agreement ViroXis has signed with the undisclosed company includes a licensing fee, milestone payments and royalties based on product sales. The agreement anticipates worldwide commercialization of a product that will be available in early 2015.

"ViroXis has quickly emerged as a leader in the development of botanical drug products," says Ian Clements, CEO of ViroXis. "The strong clinical and scientific focus of our botanical programs has created interest among strategic partners, as demonstrated by this global licensing deal we've signed for our first product."

Some 20 million people in the United States are believed to be infected with HPV, says Paul Castella, a co-founder and director of Viroxis. Currently, there are no prescription treatments for skin warts and the over-the-counter treatments that are available tend to be too harsh.

ViroXis is testing a new drug that uses a mixture of plant-derived compounds that already have a historical record of safe human use in the fragrance and food industry. Sandalwood oil has traditionally been used in India as a flavoring agent and is widely used by the fragrance industry. But it has also been used for centuries as an herbal medicine in various folk remedies, although not until recently has there been a serious effort to isolate its true medicinal qualities, Castella says.

The sandalwood tree is indigenous to India, but as its popularity has grown, it has become increasingly scarce and the supply of oil is dwindling.

To overcome this issue, Clements says, Viroxis has been using sandalwood oil from trees harvested from sustainable commercial plantations in northwestern Australia for its marketed drug products.

Viroxis has an exclusive supply agreement with Tropical Forestry Services Corp. Ltd. of Perth, Australia, which manages the largest sustainable supply of East Indian Sandalwood in the world.

ViroXis has announced plans to initiate a second Phase 2 clinical study in a new direction to test the drug's effect on Molluscum contagiosum (MCV) in a pediatric population. MCV is a highly contagious pox virus skin infection for which there are currently no approved prescription treatments.

"ViroXis has quickly emerged as leader in the development of botanical drug products, a new and important group of drug candidates afforded a distinct approval process by the (Food and Drug Administration)," Clements says.

The study is being funded by the proceeds of a \$5 million Series B private offering. ViroXis was also a past recipient of a \$2.5 million grant from the Texas Emerging Technology Fund.

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