



ASX Release

5 April 2017

## **Opthea Successfully Completes Placement and Institutional Entitlement Offer**

- Placement and Institutional Entitlement Offer successfully completed, raising approximately A\$42 million with strong support from both existing and new institutional and sophisticated investors
- Retail Entitlement Offer will open on Monday, 10 April 2017 and closes at 5:00 pm on Monday, 24 April 2017, and is expected to raise approximately A\$3 million

**Melbourne, Australia; 5 April 2017** - Opthea Limited (ASX:OPT) ("Opthea") announced on 3 April 2017, an equity raising of approximately A\$45 million ("Offer") to fund the expanded clinical development of OPT-302, a novel VEGF-C/D 'Trap' therapy for wet age-related macular degeneration (wet AMD) and diabetic macular edema (DME).

The Offer consists of a placement to certain institutional and sophisticated investors to raise approximately A\$35 million ("Placement") and a 1 for 14 accelerated non-renounceable entitlement offer to raise approximately A\$10 million ("Entitlement Offer"). Approximately 48 million new shares will be issued under the Offer ("New Shares"). The offer price per New Share is A\$0.93, representing a 14.8% premium to last close and a 10.8% premium to TERP<sup>1</sup>.

Today, Opthea is pleased to announce the successful completion of the Placement and the institutional component of the Entitlement Offer ("Institutional Entitlement Offer") (together, the "Accelerated Offer"). The Accelerated Offer attracted strong demand from both new and existing institutional and sophisticated healthcare investors globally, including in Australia, the US and the UK. Approximately A\$42 million was raised under the Accelerated Offer.

This announcement represents an important milestone as Opthea transitions to its next stage of growth and follows the reporting of positive outcomes from Opthea's Phase 1/2A clinical trial with OPT-302 in wet AMD patients. The additional capital will enable the execution of a more diversified and robust clinical development program for OPT-302. Most notably, the financing will provide sufficient resource to conduct a larger Phase 2B wet AMD clinical study and Phase 2A clinical trials in both DME and previously treated wet AMD patients.

Commenting on the outcome of the Accelerated Offer, Opthea's Managing Director and CEO, Dr Megan Baldwin said "The successful completion of the Accelerated Offer is testament to OPT-302's potential to improve outcomes for patients with wet AMD and other retinal eye diseases and supports our conviction that OPT-302 will have a significant commercial role in a disease setting for which existing standard of care therapies are associated with a sub-optimal clinical response.

We are very pleased with the outstanding support that our existing shareholders have shown in the Company. Furthermore, we are pleased to welcome a number of new domestic institutional and global specialist healthcare investors to our register."

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<sup>1</sup> The closing price on 29 March 2017 was A\$0.81 per share. TERP is the theoretical price at which shares in Opthea should trade immediately after the ex-date of the Entitlement Offer and reflects shares issued under the Offer. The actual price at which Opthea shares trade will depend on many factors and may not be equal to TERP

All New Shares to be issued under the Accelerated Offer will rank equally with existing Opthea shares in all respects from the date of their issue. Settlement of New Shares is expected to complete on Tuesday, 11 April 2017 and these shares are expected to be issued and commence trading on the ASX on a normal settlement basis on Wednesday, 12 April 2017.

Wilson's Corporate Finance Limited ("Wilson's") was sole lead manager to the Offer.

### **Commencement of the Retail Entitlement Offer**

The retail component of the Entitlement Offer ("Retail Entitlement Offer") which is expected to raise approximately A\$3 million, will open on Monday, 10 April 2017 and close at 5:00pm (AEST) on Monday, 24 April 2017. Opthea retail shareholders registered as a shareholder in Australia and New Zealand as at 7:00pm (AEST) on Wednesday, 5 April 2017 ("Eligible Retail Shareholders") will have the opportunity to participate at the same Offer Price of A\$0.93 per New Share and at the same offer ratio as participants in the Institutional Entitlement Offer, being 1 new Opthea share for every 14 existing Opthea ordinary shares held as at the record date, being 7.00pm (AEST) today.

Eligible Retail Shareholders will also be able to apply for additional shares from the Retail Entitlement Offer in excess of their entitlement, for those entitlements which are not taken up by Eligible Retail Shareholders or which would otherwise have been offered to ineligible retail shareholders ("Retail Shortfall"). Commitments have also been secured to cover the Retail Entitlement Offer in full. This provides Opthea with certainty that the Retail Entitlement Offer will be subscribed for in full, in the event that a Retail Shortfall arises, and therefore ensuring the Company will receive total offer proceeds of approximately A\$45 million. Opthea reserves the right to allot and issue any shortfall shares at its discretion.

Further details of the Retail Entitlement Offer were set out in Opthea's announcement on Monday, 3 April 2017 and the terms and conditions will be fully set out in the retail offer document to be dispatched to Eligible Retail Shareholders on Monday, 10 April 2017. Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer should carefully read the retail offer booklet and accompanying personalised entitlement and acceptance form.

Opthea expects its trading halt to be lifted and Opthea shares to recommence trading on an ex-entitlement basis from market open today.

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## Timetable

Event	Date
Trading halt	Thursday, 30 March 2017
Announcement of Phase 1/2A wet AMD Trial Update and Offer	Monday, 3 April 2017
Institutional Entitlement Offer and Institutional Placement opens	Monday, 3 April 2017
Institutional Entitlement Offer and Institutional Placement closes	Tuesday, 4 April 2017
Opthea shares re-commence trading	Wednesday, 5 April 2017
Entitlement Offer record date (7:00pm AEST)	Wednesday, 5 April 2017
Retail Entitlement Offer opens	Monday, 10 April 2017
Settlement of New Shares issued under the Institutional Entitlement Offer and Institutional Placement	Tuesday, 11 April 2017
Allotment and normal trading of New Shares issued under the Institutional Placement and Institutional Entitlement Offer	Wednesday, 12 April 2017
Retail Entitlement Offer closes (5:00pm AEST)	Monday, 24 April 2017
Settlement of New Shares issued under the Retail Entitlement Offer	Tuesday, 2 May 2017
Allotment of New Shares issued under the Retail Entitlement Offer	Wednesday, 3 May 2017
New shares issued under the Retail Entitlement Offer commence normal settlement trading.	Thursday, 4 May 2017

The above timetable is indicative only and subject to change without notice. All references to time are to Australian Eastern Standard Time. The commencement of quotation of new Shares is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, Opthea reserves the right to amend this timetable at any time, including extending the Retail Entitlement Offer period or accepting late applications, either generally or in particular cases, without notice.

## NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

### Important notices

This announcement is not a financial product or investment advice, a recommendation to acquire Shares or financial, accounting, legal or tax advice. The information in this announcement does not contain all the information necessary to fully evaluate an investment. It should be read in conjunction with the other materials lodged with ASX in relation to the Offer (including the investor presentation and the key risks set out therein), and Opthea's other periodic and continuous disclosure announcements. This announcement has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the information in this announcement and in the investor presentation in relation to the Offer having regard to their own objectives, financial and tax situation and needs, and should seek legal, tax and other professional advice. Opthea is not licensed to provide financial product advice in respect of an investment in shares.

This announcement does not constitute an offer, invitation or recommendation to subscribe for or purchase any securities and neither this announcement nor anything contained in it shall form the basis of any contract or commitment. In particular, this announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any person acting for the account or benefit of a person in the United States, or in any other jurisdiction in which such an offer would be unlawful. The New Shares to be offered and sold in the Offer have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "Securities Act"), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States or to any person acting for the account or benefit of a person in the United States, unless the securities have been registered under the Securities Act or an exemption from the registration requirements of the Securities Act and applicable U.S. state securities laws is available. The New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Regulation S under the Securities Act) in reliance on Regulation S under the Securities Act.

### About Wet AMD

Wet (neovascular) age-related macular degeneration, or wet AMD, is a disease characterised by the loss of vision of the middle of the visual field caused by degeneration of the central portion of the retina (the macula). Abnormal growth of blood vessels below the retina, and the leakage of fluid and protein from the vessels, causes retinal degeneration and leads to severe and rapid loss of vision.

Wet AMD is the leading cause of blindness in the developed world in individuals aged 50 years or older. The prevalence of AMD is increasing annually as the population ages. Without treatment, wet AMD patients often experience a chronic, rapid decline in visual acuity and increase in retinal fluid. Sales of the drug Lucentis® (Roche/Novartis), which targets VEGF-A but not VEGF-C or VEGF-D, were over \$US3.2BN in 2016. Sales of EYLEA® (Regeneron/Bayer), which also targets VEGF-A but not VEGF-C/-D first marketed in November 2011 for the treatment of wet AMD, were over \$US5.4BN in 2016. Approximately half of the people receiving Lucentis®/EYLEA® are classified as non-responders or 'poor' responders and do not experience a significant gain in vision and/or have persistent retinal vascular leakage. There is great opportunity to improve patient responses by targeting more than one factor involved in disease progression. Existing therapies, such as Lucentis® and EYLEA®, target VEGF-A that promotes blood vessel growth and leakage through its receptor VEGFR-2. VEGF-C can also induce angiogenesis and vessel leakage through the same receptor as well as through an independent pathway. Combined inhibition of VEGF-A and VEGF-C/-D, has the potential to improve patient response by more effective inhibition of the pathways involved in disease progression.

### About OPT-302

OPT-302 is a soluble form of vascular endothelial growth factor receptor 3 (VEGFR-3) or 'Trap' molecule that blocks the activity of two proteins (VEGF-C and VEGF-D) that cause blood vessels to grow and leak. OPT-302 is currently being investigated in a Phase 1/2A clinical trial in wet AMD patients as a monotherapy and in combination with ranibizumab (Lucentis®). The trial is being conducted under an FDA approved IND at several US clinical sites. The purpose of the trial is to evaluate the safety, pharmacokinetics (PK) and pharmacodynamics of OPT-302 administered as monthly intravitreal injections for 3 months with and without Lucentis® in patients with wet age related macular degeneration (AMD). The study is being conducted in two parts: Part 1 (Phase 1) comprises an open label, sequential dose escalation that recruited 20 patients and Part 2 (Phase 2A) a randomized dose expansion that recruited an additional 31 patients and is aimed at further characterising the safety, pharmacokinetic profile and relationship between dose/PK and clinical activity of OPT-302 (+/- ranibizumab). Further details on the Phase 1/2A trial can be found at: [www.clinicaltrials.gov](http://www.clinicaltrials.gov), Clinical trial identifier: NCT02543229.

## **About Opthea Limited**

Opthea (ASX:OPT) is a biologics drug developer focusing on ophthalmic disease therapies. It controls exclusive worldwide rights to a significant intellectual property portfolio around Vascular Endothelial Growth Factor (VEGF)-C, VEGF-D and VEGFR-3. The applications for the VEGF technology, which functions in regulating blood and lymphatic vessel growth, are substantial and broad. Opthea's product development programs are focused on developing OPT-302 (formerly VGX-300, soluble VEGFR-3) for 'back of the eye' disease such as wet age-related macular degeneration (wet AMD).

## **Inherent risks of Investment in Biotechnology Companies**

There are a number of inherent risks associated with the development of pharmaceutical products to a marketable stage. The lengthy clinical trial process is designed to assess the safety and efficacy of a drug prior to commercialisation and a significant proportion of drugs fail one or both of these criteria. Other risks include uncertainty of patent protection and proprietary rights, whether patent applications and issued patents will offer adequate protection to enable product development, the obtaining of necessary drug regulatory authority approvals and difficulties caused by the rapid advancements in technology. Companies such as Opthea are dependent on the success of their research and development projects and on the ability to attract funding to support these activities. Investment in research and development projects cannot be assessed on the same fundamentals as trading and manufacturing enterprises. Thus investment in companies specialising in drug development must be regarded as highly speculative. Opthea strongly recommends that professional investment advice be sought prior to such investments.

## **Forward-looking statements**

Certain statements in this ASX announcement may contain forward-looking statements regarding Company business and the therapeutic and commercial potential of its technologies and products in development. Any statement describing Company goals, expectations, intentions or beliefs is a forward-looking statement and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, particularly those risks or uncertainties inherent in the process of developing technology and in the process of discovering, developing and commercialising drugs that can be proven to be safe and effective for use as human therapeutics, and in the endeavour of building a business around such products and services. Opthea undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise. Actual results could differ materially from those discussed in this ASX announcement.