



# Biotech Daily

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## Novartis Buys Spinifex For \$916m

Spinifex says it will be acquired by the Basel, Switzerland-based Novartis International AG for \$US200 million upfront as well as development and regulatory milestones.

Biotech Daily understands that the additional payments and potential royalties amount to about \$US500 million making the total \$US700 million (\$A915.9 million) buy-out Australia's single largest biotechnology deal.

Spinifex said that the technology behind its lead compound EMA401, for the treatment of pain and hypersensitivity in peripheral nerve injury patients and the treatment of pain and hypersensitivity in cancer chemotherapy patients, around which Spinifex was founded was developed by the University of Queensland's Prof Maree Smith and Dr Bruce Wyse.

The company said it was spun-out in 2005 and was backed by the University's commercialization arm Uniquet, Uniseed and GBS Venture Partners, with Brandon Capital later joining the funding, helping to raise \$12 million in 2008 and a further \$6.25 million in 2011 (BD: Sep 3, 2008; Aug 24, 2011).

Brandon Capital managing director Dr Chris Nave told Biotech Daily that Spinifex had initial support from the University of Queensland along with about \$6 million to \$8 million in Federal Government funding through the Innovation Investment Funds and the Pre-Seed Funds.

Dr Nave said that Spinifex raised a further \$46 million last year with continued Government support through these funds and the introduction of leading US venture firms Novo Ventures and Canaan Partners (BD: Apr 11, 2014).

Spinifex said that last year it the Lancet published positive results from its phase II trial in post-herpetic neuralgia, a condition that can develop following herpes zoster or shingles paving the way for the major raising.

The company said that Novartis would continue the development of the company's programs and was planning to undertake phase IIb clinical trials in patients with post-herpetic neuralgia and painful diabetic neuropathy and intended to build on the two indications to pursue a broad peripheral neuropathic pain.

Spinifex chief executive officer Dr Tom McCarthy said he thanked "all Spinifex investors throughout this journey".

"I thank Prof Maree Smith and her colleagues for their foundational [intellectual property], Uniquet for shepherding this into Spinifex and fostering Uniseed and GBS's Series A syndicate support," Dr McCarthy said.

"The Australian support base was further strengthened by Brandon Capital at the Series B, and then Novo and Canaan in the Series C financing," Dr McCarthy said.

"As with all successful outcomes, it needed the support of many," Dr McCarthy said.

"I would also like to remember Dr Andrew Baker who led GBS's initial investment and was past Spinifex chairman," Dr McCarthy said.

"From the time I joined the company in November 2006 through to Andrew's passing, he was a great support to Spinifex and me personally and I know at this time he would be very proud of us all," Dr McCarthy said (BD: Mar 19, 2012).

Spinifex said that the acquisition was "a great example of the combination of world leading Australian medical research, the dedication and hard work of Dr McCarthy and his team over many years and the successful co-operation of the Australian venture community in identifying the potential of, and helping to developing this company.

The company said that each of the Australian investors thanked the "limited partners" who supported each of the funds, as well as the Australian Government programs which made the outcome possible including the Pre-Seed Funds, Innovation Investment Funds, Innovation Investment Follow-On Funds, Commercial Ready and the R&D Tax Incentive.

Spinifex was a private company.