



Biotech Daily

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Daily news on ASX-listed biotechnology companies

Benitec - Another Band Fails To Make It Big In The USA

Biotech Daily is not surprised that Benitec has failed to raise anywhere near its target of \$90 million to \$95 million for its Nasdaq listing.

Like so many rock bands that have been big at home but failed in the US or Europe, few Australian biotechnology companies have benefited from attempts to list on the Nasdaq.

There is a difference between listing on the Over-The-Counter (OTC) exchanges and a full Nasdaq listing, which has the attractive bait of access to US funds, but comes with a hook of a duplication of corporate regulations – some of which contradict Australian law.

Prana and Genetic Technologies are listed on the Nasdaq Capital Markets and have raised funds in the US and on at least one occasion the US market has better understood a Genetic Technologies announcement than local investors, but generally it has not been a happy outcome, with Novogen and Psivida among the exceptions.

Biota devalued itself by more than 65 percent in a failed attempt to access Nabi's \$US54 million, settling for \$US27 million (BD: May 9, 2014) and Alchemia failed to raise \$60 million to list on the Nasdaq (BD: Jul 9, Dec 21, 2012).

Stirling Products promised to cure AIDS, influenza, kidney disease and tuberculosis and delivered nothing, so it wanted to list on London's Alternative Investment Market to benefit from "the more extensive and in depth UK and European investment industry coverage of the pharmaceutical and healthcare industry" (BD: Jun 7, 2011).

Biotech Daily has long wondered why any company would want two sets of regulations in different jurisdictions.

Some suggest it is the hubris of the directors and management that they want to run US companies and justify ever-increasing frequent flyer points.

CSL and Resmed have New York Stock Exchange listings and Cochlear has an Over-The-Counter Nasdaq facility.

Bionomics listed on the Over-The-Counter Quality Exchange so US investors could trade its shares, but OTC listings don't have the burden of a Nasdaq listing (BD: Mar 2, 2015).

As an investor in Benitec, it is very hard to understand why the company would make an offer at such a large discount to raise just \$18.8 million.

That said, if TT-034 proves to have efficacy for hepatitis C and the share price goes through the roof, we shall be ecstatically happy to be wrong.

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