



SPINIFEX PHARMACEUTICALS

Most successful venture capital exit in Australian history

Customer Story

In June 2015, Australian-US drug developer Spinifex Pharmaceuticals announced that it would be acquired by Swiss pharmaceutical giant Novartis for US\$200 million upfront. It was subsequently confirmed by Spinifex that they were eligible for up to US\$500 million in additional milestone payments.

The acquisition is centred on Spinifex's EMA401, a new drug which could offer much-needed relief for millions of people around the world suffering from currently untreatable chronic neuropathic pain.

Current frontline pain relief medications are not always effective, so Professor Maree Smith working at the University of Queensland discovered an innovative alternative approach – targeting nerve receptors rather than the more common practice of blocking pain receptors in the brain.



Dr Tom McCarthy, CEO and Managing Director of Spinifex

Possible applications include the treatment of pain associated with diabetes, shingles and chemotherapy.

Spinifex acquired Professor Smith's technology, and embarked on the international clinical development of EMA401 as a potential first-in-class oral treatment for chronic pain without central nervous system side effects.

Established in 2005 and based exclusively in Australia until 2014 when it also began operations in Stamford, Connecticut, Spinifex has received substantial venture capital backing – including from GBS Venture Partners, Brandon Capital Partners, the Medical Research Commercialisation Fund (MRCF), Uniseed and UniQuest (University of Queensland, Australia).

GBS Venture Partners, Brandon Capital Partners and the MRCF invested in Spinifex through their funds licensed or registered under four of the Australian Government's venture capital programmes, including the Venture Capital Limited Partnerships (VCLP) programme.

"The access to financial capital drove our research and development programs," Dr Tom McCarthy, CEO and Managing Director of Spinifex said.

"With those fund managers on board, we've worked with some of their international network of experts and clinicians."

"Without the Australian Government's venture capital support for Spinifex, along with important investments from Uniseed and UniQuest, we wouldn't have been able to mount an internationally competitive drug development activity from an Australian base."

Dr Heath Lukatch, Spinifex's Chairman, said: "The success of Spinifex and the tremendous potential for EMA401 to help patients suffering from neuropathic pain is a significant example of how an international venture capital syndicate, partnering with Australian based investors, can bring university technology closer to commercialisation."