

# Novogen

**Pharma & biotech**
**30 October 2013**

## Acquisition of Genscreen technology

Novogen's acquisition of Genscreen's anti-Tm technology adds a novel chemistry that brings diversity to its pipeline, which is currently focused on the core super-benzopyran technology. The lead super-benzopyran analogue Trilexium has already shown activity in a range of cancer cell models including brain and ovarian cancers, and positive *in vivo* data could enter Phase I trials by H114, which is the next stock catalyst.

## Acquisition of Genscreen's anti-Tm technology

Novogen has obtained a second anti-cancer platform built on a class of compounds known as anti-tropomyosins (anti-Tms) from privately-held Australian biotech, Genscreen Pty Ltd. The consideration is a 3% royalty payment on product sales, with no upfront or milestone fees. Novogen plans to start a lead identification programme initially in prostate cancer, melanoma and neuroblastoma.

## Selectively targets actin cytoskeleton in cancer cells

Anti-Tm compounds purportedly target the protein Tm5NM1 found in cytoskeletal (non-muscle) tropomyosin-containing filaments in cancer cells. This disrupts specific actin filament populations that are upregulated in cancers, impairing both tumour cell division and migration. The selectivity of anti-Tm agents potentially offers an advantage over existing classes of approved antimitotic chemotherapy agents that target the cytoskeleton, such as taxanes and vinca alkaloids, which while effective are often associated with unacceptable toxic side effects.

## Super-benzopyran lead Trilexium – next steps

Novogen believes its technology around the super-benzopyran scaffold will represent the next generation of a technology that has already delivered candidates with promising anti-cancer activity. Its lead candidate, Trilexium (CS-6), has demonstrated potent anti-tumour activity against cancer cell lines, including GBM (primary brain cancer) and ovarian cancer (including ovarian cancer stem cells). Positive data from *in vivo* GBM studies (Q413) would pave the way for a planned 24-patient Phase I study in advanced solid tumours (primarily GBM) in H114.

## Financials: Funded to 2014

Novogen has cash of A\$3.6m (October 2013), which provides a cash runway to H114, with additional funding available by way of a US\$5m convertible note. This should allow completion of preclinical studies and commencement of Phase I trials in both Asia-Pacific and the US, pending IND approval.

### Financial history

Year end	Revenue (A\$m)	PBT (A\$m)	EPS (c)	DPS (c)	P/E (x)	Yield (%)
06/11	2.4	(10.9)	(6.4)	0.0	N/A	N/A
06/12	2.1	(1.5)	1.2	0.0	N/A	N/A
06/13	1.7	(1.5)	(1.3)	0.0	N/A	N/A

Source: Novogen

**Price** **A\$0.24**
**Market cap** **A\$35m**

### Share price graph



### Share details

Code	NRT
Listing	ASX, NASDAQ
Shares in issue	144.2m

### Business description

Novogen is an ASX- and NASDAQ-listed oncology company focused on the discovery and development of novel anti-cancer therapeutics targeting cancer metabolic pathways. Its R&D pipeline is based on a proprietary technology, which has spawned lead candidate compound Trilexium (CS-6).

### Bull

- Positive preclinical data in a range of cancers.
- Next generation of a promising technology.
- Track record of drug discovery/development.

### Bear

- In preclinical stage.
- Funding required to advance development.
- Development risk.

### Analysts

Chris Kallos	+61 (0)2 9258 1160
Dr Mike Aitkenhead	+44 (0)20 3077 5736
Robin Davison	+44 (0)20 3077 5737

[healthcare@edisongroup.com](mailto:healthcare@edisongroup.com)

Edison, the investment intelligence firm, is the future of investor interaction with corporates. Our team of over 100 analysts and investment professionals work with leading companies, fund managers and investment banks worldwide to support their capital markets activity. We provide services to more than 400 retained corporate and investor clients from our offices in London, New York, Frankfurt, Sydney and Wellington. Edison is authorised and regulated by the Financial Services Authority ([www.fsa.gov.uk/register/firmBasicDetails.do?sid=181584](http://www.fsa.gov.uk/register/firmBasicDetails.do?sid=181584)). Edison Investment Research (NZ) Limited (Edison NZ) is the New Zealand subsidiary of Edison. Edison NZ is registered on the New Zealand Financial Service Providers Register (FSP number 247505) and is registered to provide wholesale and/or generic financial adviser services only. Edison Investment Research Inc (Edison US) is the US subsidiary of Edison and is not regulated by the Securities and Exchange Commission. Edison Investment Research Limited (Edison Aus) [46085869] is the Australian subsidiary of Edison and is not regulated by the Australian Securities and Investment Commission. Edison Germany is a branch entity of Edison Investment Research Limited [4794244]. [www.edisongroup.com](http://www.edisongroup.com)

#### DISCLAIMER

Copyright 2013 Edison Investment Research Limited. All rights reserved. This report has been commissioned by Novogen and prepared and issued by Edison for publication globally. All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report. Opinions contained in this report represent those of the research department of Edison at the time of publication. The securities described in the Investment Research may not be eligible for sale in all jurisdictions or to certain categories of investors. This research is issued in Australia by Edison Aus and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act. The Investment Research is distributed in the United States by Edison US to major US institutional investors only. Edison US is/is not registered as an investment adviser with the Securities and Exchange Commission. Edison US relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. As such, Edison does not offer or provide personalised advice. We publish information about companies in which we believe our readers may be interested and this information reflects our sincere opinions. The information that we provide or that is derived from our website is not intended to be, and should not be construed in any manner whatsoever as, personalised advice. Also, our website and the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. This document is provided for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. Edison has a restrictive policy relating to personal dealing. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report. Edison or its affiliates may perform services or solicit business from any of the companies mentioned in this report. The value of securities mentioned in this report can fall as well as rise and are subject to large and sudden swings. In addition it may be difficult or not possible to buy, sell or obtain accurate information about the value of securities mentioned in this report. Past performance is not necessarily a guide to future performance. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (ie without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision. To the maximum extent permitted by law, Edison, its affiliates and contractors, and their respective directors, officers and employees will not be liable for any loss or damage arising as a result of reliance being placed on any of the information contained in this report and do not guarantee the returns on investments in the products discussed in this publication. FTSE International Limited ("FTSE") (c) FTSE [2013]. "FTSE(i)" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under license. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.