

## TRANSCRIPT – SKY BUSINESS NEWS INTERVIEW WITH JASON YEATES

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Transcript

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Item: BIOTECH COMPANY CBIO WILL BE RAISING CAPITAL IN ORDER TO FURTHER DEVELOP A NEW DRUG TO TREAT AUTO-IMMUNE DISEASES, SUCH AS RHEUMATOID ARTHRITIS.

INTERVIEWEES: JASON YEATES, MD, CBIO

HELEN DALLEY: In a month from now, a new Australian biotech should be hitting the boards of the ASX. CBio is joining the late rush this year to raise capital, with the offer opening on Monday. The company is looking for as much as \$35 million to develop a drug aimed at better treating auto-immune diseases such as rheumatoid arthritis. CBio's chief executive is Jason Yeates, and he joins me now in the studio. Jason Yeates, welcome to Sunday Business.

JASON YEATES: Thank you, Helen.

HELEN DALLEY: Now, your IPO offer opens tomorrow, Monday. You've been in the market talking to potential investors. What sort of response are you anticipating?

JASON YEATES: I think, and certainly at this stage, we're getting a very good response to our story. We expect that - or hopeful, that we're going to raise the full, the maximum under the IPO, which is \$30 million. We did close a previous capital raising round a few weeks ago, which was over-subscribed. We were trying to raise \$6 million at the time, and we actually ended up finalising and closing the offer at \$12.6 million. So the story seems to be embraced by a lot of people at the moment, which is good.

HELEN DALLEY: All right, and you're happy to take over-subscriptions, so in a sense, if you get \$35 million, you'll accept that?

JASON YEATES: Yes, we will.

HELEN DALLEY: Okay. Now, do you expect it to be mainly institutions, or why would retail investors trust this float and maybe go into it?

JASON YEATES: I think for our company, we would first look at where we've got - we've actually got an international credentialed board. We have Dr Göran Ando, who is the vice-chairman of Novo Nordisk. We also have Dr Peter Corr. He is the former worldwide head of research and also in-licencing for Pfizer. He is also on our board. We also have the Professor of Medicine at Monash University, Professor John...

HELEN DALLEY: Very impressive board.

JASON YEATES: Yes.

HELEN DALLEY: What concrete success has the company achieved?

JASON YEATES: Concrete success. I think we've - we've spent a lot of money to get the drug to where it is today.

HELEN DALLEY: And this is XToll?

JASON YEATES: This is XToll. The drug itself is a unique drug. It is potentially a therapy for not just rheumatoid arthritis but for a number of auto-immune diseases. We are in phase two clinical trials, and we've spent a fair bit of money, a lot of money, to get there. We believe that at the completion of this current clinical trial, it will give us an opportunity to license the product to a major pharmaceutical company.

HELEN DALLEY: All right. How potentially revolutionary - or is that too strong a word? - will this next phase of XToll be?

JASON YEATES: It is a different drug to the current registered therapies for rheumatoid arthritis and other auto-immune diseases, so it works differently. So potentially, it can be a therapy for many auto-immune diseases, which in itself makes it different to a number of the registered therapies for RA alone.

HELEN DALLEY: Oh okay, so mostly they're very targeted to specific, whereas this one can move across a number diseases?

JASON YEATES: That's correct, yes.

HELEN DALLEY: Now, given there's been a few, perhaps the start of a trickle of IPOs - and Myer I guess was the most high profile, and it was a little disappointing for investors who went in - did that give you any concern?

JASON YEATES: No. I think - we believe that we have a very good story; we believe that we have a unique product; and we believe that the product certainly will be - people will want to invest in the company because of the uniqueness of the product and the strength of our - of where we have brought the development of drug to today and also because of the experience that we have on our board.

HELEN DALLEY: There - it has been a very tough year, obviously...

JASON YEATES: Yes.

HELEN DALLEY: ...for many people, but the market has bounced back in the last several months. Do you think there is a demand now for floats and listings?

JASON YEATES: I think there is a window at the moment, yes, for floats and listings. As I said, we - with our pre - with our capital raising that we closed recently, certainly there was a - we over-performed, I guess, in relation to that capital raising, so I think at the moment, and given the initial indications from our marketing our IPO, that I think that we should do quite well in this current market with our IPO.

HELEN DALLEY: In the last 18 months, two years, there's been quite a lot of merger activity in the health sector. Are you expecting to see more?

JASON YEATES: I read this morning actually about Biota, that they are looking at purchasing two companies, the reason being that a number of these companies are strapped for cash and funds. So I think in the pharmaceutical area, particularly the biotech areas, that biotech companies are struggling for funding and there may be opportunities certainly out there for M&A activity.

HELEN DALLEY: Jason Yeates, we'll leave it there. Thanks very much for joining us.

JASON YEATES: Thank you very much.

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