



Biotech Daily

Thursday September 5, 2013

Daily news on ASX-listed biotechnology companies

*** ASX, BIOTECH DOWN: UNIVERSAL BIOSENSORS UP 6%, NEUREN DOWN 9%**

*** INNATE \$12m FOR PHASE IIb PROGRESSIVE MULTIPLE SCLEROSIS TRIAL**

*** JOHN LEAVER INCREASES, DILUTED AT 6% OF BIONOMICS**

MARKET REPORT

The Australian stock market fell 0.37 percent on Thursday September 5, 2013 with the S&P ASX 200 down 19.1 points to 5,142.5 points.

Twelve of the Biotech Daily Top 40 stocks were up, 16 fell, eight traded unchanged and four were untraded.

Universal Biosensors was the best, up four cents or 5.9 percent to 72 cents with 290,000 shares traded.

Ellex, Pharmaxis and Starpharma were up more than three percent; GI Dynamics, Impedimed and Living Cell rose more than two percent; Medical Developments, Nanosonics and Reva were up one percent or more; with Bionomics, Cochlear, Resmed and Sirtex up by less than one percent.

Neuren led the falls, down 0.9 cents or 8.6 percent to 9.6 cents with 8.2 million shares traded.

Avita, Circadian, Phylogica, Prana and QRX lost more than seven percent; Alchemia and IDT fell more than five percent; Acrux and Cellmid were down more than three percent; Clinuvel, Patrys, Phosphagenics and Psivida shed more than two percent; Anteo was down 1.8 percent; with CSL, Heartware and Mesoblast down by less than one percent.

INNATE IMMUNOTHERAPEUTICS

The Auckland New Zealand-based Innate Immunotherapeutics hopes to raise up to \$12 million for a 90-patient phase IIb trial for secondary progressive multiple sclerosis.

Innate chief executive officer Simon Wilkinson told Biotech Daily that the company's lead compound MIS416 was derived from the *Propionibacterium acnes* bacteria and was an agonist of two pathways associated with secondary progressive multiple sclerosis, nucleotide-binding oligomerization domain-containing protein 2 (NOD2) and toll-like receptor (TLR).

Mr Wilkinson said that while there were drugs for relapsing remitting multiple sclerosis commanding a \$US11 billion market, there were no drugs available for the later stage secondary progressive multiple sclerosis.

Mr Wilkinson estimated the market for a drug that worked for secondary progressive multiple sclerosis would be about \$US3 billion.

He said that 80 percent of relapsing remitting multiple sclerosis patients became progressive or secondary progressive multiple sclerosis patients.

Mr Wilkinson said that Innate Immunotherapeutics was a public unlisted company with 1770 private shareholders and worth about \$40 million with six staff originally built around an HIV program developed by Dr Frank Gelder in the late 1990s.

Mr Wilkinson said that novel passive immunotherapy program for HIV was closed in 2008 but the group had "invented a brand new adjuvant, now at the heart of our program".

"The adjuvant alone, administered intravenously had a profound effect on the regulatory circuit," Mr Wilkinson said.

"You can use the same drug without tumor antigens for cancer," Mr Wilkinson said.

He said that Innate had two cancer programs, a phase Ib prostate and oesophageal cancer program and a preclinical program in cervical cancer.

Mr Wilkinson said that the company had completed a phase Ib/IIa trial in multiple sclerosis and, working with MS Australia, expected to start a 90-patient, 12-month, Australian phase IIb trial of MIS416 at multiple centres in March 2014.

"We will have to raise funds and we are looking at several options," Mr Wilkinson said.

Mr Wilkinson said that he hoped to raise about \$12 million to cover the phase IIb trial and for working capital.

He said that manufacturing and research and development would remain in Auckland but the company's head office and administration would be in Sydney.

Mr Wilkinson said the company's directors included former Pfizer executive Elizabeth Hopkins and 16 percent shareholder Chris Collins, an investor who was elected as a New York Republican to the US House of Representatives, in November 2012.

Mr Wilkinson said the company expected to appoint two or three Australian directors next week.

He said that former University of Glasgow and University of Dundee researcher Dr Gillian Webster was the company's chief scientific officer.

An Immune media release said that its 15-patient phase IIa MIS416 trial was completed in July 2012 and "80 percent of patients ... had at least a 30 percent or greater improvement in at least one measure of [multiple sclerosis] related symptoms".

The company said that of the 15 patients who received six or more doses, 13 reported modest to significant improvement in their health-related quality of life.

Innate said that the drug platform technology's efficacy in regulating immune system responses meant it could be used to fight certain cancers including ovarian, solid tumor and prostate and also be used in the design of better vaccines to treat or prevent diseases such as influenza, malaria and tuberculosis.

BIONOMICS

John Leaver has increased his substantial shareholding in Bionomics from 21,216,735 shares to 24,241,071 shares and has been diluted from 6.14 percent to 5.89 percent. Mr Leaver said he bought, sold and transferred shares between November 29, 2012 and August 26, 2013 with the single largest acquisition 1,341,002 shares for \$733,685 or an average price of 54.7 cents a share, with an off-market transfer of 3,000,000 shares for \$855,000 or 28.5 cents a share on November 11, 2012 from his Sydney-based Balzac Investments, to his Wenola Pty Ltd. Mr Leaver also traded through Leagou Funds Management and Planette Thoroughbred Trading, of which he was a director. Bionomics was up half a cent or 0.8 percent to 64 cents.