



Biotech Daily

Thursday October 3, 2013

Daily news on ASX-listed biotechnology companies

- * **ASX UP, BIOTECH DOWN: CELLMID UP 7%, VIRALYTICS DOWN 6%**
- * **CELLMID ANTI-MIDKINE EFFICACY AGAINST TUMORS IN MICE**
- * **ATP, IGNITION LABS LAUNCH 4 STARTUPS WITH \$25k EACH, MENTORS**
- * **GENETIC TECHNOLOGIES UNDERWRITTEN PLAN RAISES \$1.4m OF \$3m**
- * **ANTEO AGM FOR 9m DIRECTOR OPTIONS**
- * **NAB, ASSOCIATES TAKE 5% OF ACRUX**
- * **AUSTRALIAN ETHICAL TAKES 6% OF UNIVERSAL BIOSENSORS**
- * **AUSTRALIAN ETHICAL TAKES 9% OF ELLEX**
- * **ASCEND APPOINTS DR PETER SMITH CHAIR, MARK EWING DIRECTOR**

MARKET REPORT

The Australian stock market was up 0.37 percent on Thursday October 3, 2013 with the S&P ASX 200 up 19.3 points to 5,234.9 points.

Ten of the Biotech Daily Top 40 stocks were up, 17 fell, eight traded unchanged and five were untraded.

Cellmid was the best, up 0.2 cents or 7.1 percent to three cents with 81.4 million shares traded.

Optiscan climbed 6.9 percent; Prana was up 3.6 percent; Medical Developments, Phosphagenics and Prima rose more than two percent; Acrux, QRX, Resmed and Sirtex were up more than one percent; with CSL and Mesoblast up by less than one percent.

Viralytics led the falls, down 2.5 cents or 6.25 percent to 37.5 cents with 100,000 shares traded.

Allied Health, Benitec, Impedimed and Psivida lost more than five percent; Genetic Technologies and Pharmaxis fell more than four percent; Anteo, Ellex, GI Dynamics and Patrys were down more than three percent; Atcor and Starpharma shed two percent or more; Bionomics, Living Cell, Nanosonics and Universal Biosensors lost more than one percent; with Cochlear down 0.5 percent.

CELLMID

Cellmid says that several cancer xenograft efficacy and mechanism of action studies of its lead anti-midkine antibodies has shown efficacy against tumors in mice.

Cellmid said that midkine antibody treatment slowed primary tumor growth, reduced cancer spread or metastasis and slowed the formation of new blood vessels or angiogenesis, in different tumor types.

The company said that the findings completed its preclinical program to determine the clinical direction for its midkine antibodies and the studies were consistent with independent research entitled 'Inhibition of the Growth Factor MDK/Midkine by a Novel Small Molecule Compound to Treat Non-Small Cell Lung Cancer' published in the Public Library of Science One and available at: <http://www.ncbi.nlm.nih.gov/pubmed/23976985>.

The company said the data added to the growing evidence of midkine's importance in cancer, with about 200 peer-reviewed publications on the topic, by research groups around the world, showing that midkine was a key driver of tumorigenesis in at least 25 cancers, including breast, lung, colorectal, gastrointestinal, liver, pancreatic and brain and describing multiple mechanisms of action by which midkine promotes cancer.

Cellmid said that its antibodies appeared to block several of those mechanisms of action simultaneously.

The company said it was targeting a pre-investigational new drug application meeting for its cancer antibody program with the US Food and Drug Administration by October 2014. Cellmid was up 0.2 cents or 7.1 percent to three cents with 81.4 million shares traded.

ATP INNOVATIONS, IGNITION LABS

The Sydney based ATP Innovations 'seed accelerator' Ignition Labs says it will fund and support four medical technology start-ups as part of its second program.

In June, Ignition Labs said that it would fund and support five start-ups and in July, the company said that it had signed Griffith Hack, UK Trade & Investment and British Airways as sponsors (BD: Jun 4, Jul 19, 2013).

Today, Ignition Labs co-founder and ATP Innovations commercial development director Ben Wright told Biotech Daily that Ignition Labs would provide each business with \$25,000 in startup capital, experienced mentors and space inside the ATP Innovations incubator, along with access to angel, venture and corporate investors during the six-month program. Mr Wright said that ATP was "Australia's largest community of medical technology startups".

"The accelerators' 24 mentors, who are all investors in the program, selected each business on the basis of the founding teams experience and the human impact of their technologies," Mr Wright said.

Ignition Labs said the 2013 portfolio companies were Bioz, De Motu Cordis, Resqdevices and Sky Biomed.

The company said that Bioz was headed by the University of New South Wales chair of Biomedical Engineering Prof Melissa Knothe Tate and former 3M executive Colin Stahel, who were developing 3-dimensional weaving technology and advanced biomaterials to produce next generation orthopaedic splints for post-operative patients.

Ignition said De Motu Cordis leaders Prof John Fraser and Prof Kim Chan had developed an advanced drug delivery system for critical care patients following cardiac arrest.

The company said that Resqdevices principals Roger Price and Glen Triebel had developed a spinal immobilization device for trauma patients, and Sky Biomed was developing medical devices for incontinence, which was one of the leading reasons for elderly admission into nursing care.

GENETIC TECHNOLOGIES

Genetic Technologies says its underwritten share plan at 7.2 cents a share has raised \$1,388,000 of the hoped-for \$3,000,000 (BD: Aug 1, 2013).

Genetic Technologies said that the underwriters, Lodge Corporate and Cygnet Capital, would subscribe for the shortfall of \$1,612,000.

The company said that Cygnet had committed to subscribe for a further \$1,000,000 of shares at 7.2 a share, with \$500,000 of shares subject to shareholder approval.

Genetic Technologies said the total share plan raising of up to \$4,000,000 excluded both the \$3,000,000 raised in its recent placement and the funding from convertible notes issued to Ironridge Biopharma Co providing an advance of at least \$US5,000,000.

Genetic Technologies fell 0.4 cents or 4.8 percent to 7.9 cents.

ANTEO DIAGNOSTICS

Anteo shareholders will vote on the issue of 9,000,000 options to chief executive officer Dr Geoff Cumming and director John Hurrell.

Anteo said that it proposed to issue 3,000,000 options, exercisable at 12 cents each by June 30, 2014 to Mr Hurrell; and 6,000,000 options to Dr Cumming exercisable at the greater of 12 cents or 40 percent above the 30-day volume weighted average price at October 31, 2013, with the options expiring four years from issue.

The company said that Mr Hurrell's options would vest on issue but Dr Cumming's options would vest in three tranches of 25 percent, 25 percent and 50 percent, one, two and three years from the date of issue.

The company's notice of meeting said it would also seek shareholder approval for the election of Mr Hurrell and the re-election of chairman Mark Bouris.

Anteo said it would ask shareholders to approve the remuneration report and approve the 10 percent placement facility.

The meeting will be held at Grant Thornton, Level 19, 2 Market Street, Sydney on October 31, 2013 at 3pm (AEDT).

Anteo fell 0.2 cents or 3.1 percent to 6.2 cents.

ACRUX

The National Australia Bank and associates have become substantial shareholders in Acrux with 8,395,506 shares or 5.042 percent of the company.

NAB said that the registered holders of the shares included MLC Investments, Nabinvest Managed Investments, MLC Wealth and Antares Capital Partners, but did not disclose the names of the investors.

The NAB said that between August 8 and September 27, 2013 it acquired 2,109,826 shares for prices ranging from \$3.25 to \$3.37 a share.

Acrux was up four cents or 1.25 percent to \$3.24 with 346,577 shares traded.

UNIVERSAL BIOSENSORS

Australian Ethical Smaller Companies Trust has increased its substantial shareholding in Universal Biosensors from 8,656,562 shares (5.02%) to 11,137,347 shares (6.38%).

Australian Ethical said that it bought 2,480,785 shares from December 10, 2012 to October 1, 2013 for \$1,866,871 or an average price of 75.25 cents a share.

Universal Biosensors fell one cent or 1.39 percent to 71 cents.

ELLEX MEDICAL LASERS

Australian Ethical Smaller Companies Trust has become a substantial shareholder in Ellex with 8,794,563 shares or 9.01 percent.

Last month, Ellex said it had raised \$3.3 million in a placement at 26 cents a share (BD: Sep 19, 2013).

Australian Ethical previously has told Biotech Daily that it had a less than five percent holding in Ellex and it is believed the Trust acquired a further 5,000,000 shares in the placement.

Ellex fell one cent or 3.2 percent to 30 cents.

ASCEND BIOPHARMACEUTICALS

Ascend says it has appointed form Alchemia chief executive officer Dr Peter Smith as chairman and accountant Mark Ewing as a non-executive director.

Ascend said it was developing two clinical stage immunotherapy products for cancer and was preparing its lead therapy for a phase II trial expected to begin in 2014.

The company said that at Alchemia, Dr Smith oversaw the US Food and Drug Administration approval of the generic anti-coagulant fondaparinux and the approval and completion of recruitment of the pivotal phase III trial of hyaluronic acid-irinotecan for colorectal cancer.

The company said that prior to Alchemia, Dr Smith was the managing director of Amrad and founded cancer immunotherapy company Onyvax.

Dr Smith was recently appointed as a consultant to Prana and holds a Bachelor of Arts and Doctorate of Philosophy from the University of Cambridge in London.

Ascend said Mr Ewing was a specialist in corporate advice and was currently deputy chairman for TTA Holdings, the holding company for electronics brand Teac Australia and Proride Racing advisory board chairman.

The company said that Mr Ewing was previously a non-executive director for Vicracing and Racing Victoria.

Ascend is a private company.