



# Biotech Daily

Friday November 29, 2013

*Daily news on ASX-listed biotechnology companies*

- \* **ASX DOWN, BIOTECH EVEN:**
  - **GENETIC TECHNOLOGIES UP 16%, MEDICAL DEVELOPMENTS DOWN 7%**
- \* **ASCEND, 3M COLLABORATION FOR SOLID TUMORS**
- \* **ANTISENSE APPLIES FOR ATL1102 STEM CELL MOBILIZATION TRIAL**
- \* **CYNATA JUMPS 36% ON OPEN**
- \* **PATRY'S MULTIPLE MYELOMA PATIENTS TOLERATE PAT-SM6**
- \* **CIRCADIAN: 23% OPPOSE REMUNERATION, DON CLARKE GOES**
- \* **36% OPPOSE GENETIC TECHNOLOGIES EGM NOTE, OPTIONS**
  - **PROF IAN MCKENZIE, GRAHAME LEONARD APPOINTED DIRECTORS**
- \* **STEVEN KRITZLER REDUCES TO 5% OF NANOSONICS**
- \* **PROGEN: JITTO ARULAMPALAM CHAIR, DR HONGJEN CHANG DIRECTOR**

## MARKET REPORT

The Australian stock market fell 0.27 percent on Friday November 29, 2013 with the S&P ASX 200 down 14.3 points to 5,320.0 points. Sixteen of the Biotech Daily Top 40 stocks were up, 15 fell, six traded unchanged and three were untraded. All three Big Caps fell.

Genetic Technologies was best, up one cent or 16.4 percent to 7.1 cents with 444,134 shares traded, followed by Phylogica up 11.8 percent to 1.9 cents with 1.1 million shares traded.

Both Anteo and Bionomics climbed 6.25 percent; Impedimed and Patry's were up more than five percent; Ellex, Neuren, Pharmaxis, Psivida and Tissue Therapies were up four percent or more; GI Dynamics and Prima rose more than two percent; Benitec was up one percent; with Nanosonics and Universal Biosensors up by less than one percent.

Medical Developments led the falls, down 9.5 cents or 7.1 percent to \$1.25 with 5,156 shares traded.

Antisense and IDT lost more than five percent; Living Cell and Phosphagenics fell four percent or more; Starpharma lost 3.5 percent; Cellmid and Circadian shed more than two percent; Cochlear, Mesoblast, Osprey, QRX, Reva and Sirtex were down more than one percent; with Acrux, Alchemia, CSL and Resmed down by less than one percent.

## ASCEND BIOPHARMACEUTICALS

Ascend says 3M will evaluate its toll-like receptor 7/8 agonist 3M-051 in combination with Ascend's cancer vaccine technology for solid tumors.

Ascend said that the Minnesota Minneapolis-based 3M Drug Delivery Systems would provide access to 3M-051 to be chemically conjugated to Ascend's platform antigen presenting, cell targeting and delivery technology that allowed vaccine antigens and immune modulators to be selectively targeted to specialized antigen presenting cells. The company said that its platform was able to efficiently enable cross presentation and to allow the generation of a strong cytotoxic CD8+ T-cell response to a vaccine antigen in addition to a strong antibody response.

Ascend said that "many earlier generations of cancer vaccines had a tendency to generate predominantly CD4+ T-cell responses but only weak CD8+ T-cell responses". Ascend chief executive officer Dr Clement Leong said that his company's research "has demonstrated encouraging clinical and immunological responses and we believe the chemical conjugation of a potent [toll-like receptor] agonist could confer further improvements to the previously observed clinical responses".

Dr Leong said the 3M TLR7/8 agonist 3M-051 "was clearly a best-in-class compound". Ascend said the collaboration would evaluate the potency of 3M-051 conjugated to Ascend's proprietary oxidized mannan, which was part of its ASN-004 vaccine candidate and formed the basis of the platform technology.

Ascend said that the preclinical immunogenicity models would last up to 12 months and no further terms had been disclosed.

Ascend is a Melbourne-based public unlisted company.

## ANTISENSE THERAPEUTICS

Antisense says it has submitted an application to conduct a 10-patient, phase I stem cell mobilisation human proof-of-concept trial of ATL1102 at Melbourne's Alfred Hospital.

Antisense said that the mobilization of stem cells from bone marrow into blood was an important medical procedure used to improve outcomes for patients undergoing chemotherapy to treat certain cancers.

The company said that ATL1102 would be given as an acute treatment with one week of dosing with standard granulocyte colony-stimulating factor (G-CSF) to enhance stem cell mobilization.

Antisense said that CD34+ bone marrow haematopoietic stem cells were mobilized to the blood for collection before high dose chemotherapy and then re-infused to reestablish immune system post chemotherapy.

The company said that the randomized, open-label phase I ATL1102 stem cell mobilization trial would assess safety, tolerability, pharmacokinetics and pharmacodynamics, including effects on the release of haematopoietic stem cells of ATL1102 dosed over five days alone or in combination with granulocyte colony-stimulating factor.

Antisense said that in previous studies, ATL1102 increased CD34+ RNA in the blood of multiple sclerosis patients at eight weeks by 150 percent over baseline and the company had animal safety data as well as clinical safety data from phase I volunteer and phase II multiple sclerosis trials (BD: Feb 11, Apr 1, Jun 30, 2008).

Antisense said that Nucleus Network would conduct the trial and the funds expected from the loyalty option issue would be used to begin the trial (BD: Sep 27, 2013).

The company said that if it received ethics approval early in 2014 it expected the study could begin by April 2014 and be completed with results reported by the middle of 2014.

Antisense fell one cent or 5.9 percent to 16 cents.

### CYNATA (FORMERLY ECO QUEST)

Cynata opened up 14 cents on its post 20-to-one consolidation price of 50 cents at 64 cents climbing as high as 68 cents in early trade on its first day back on the ASX.

Cynata is developing a method for expanding stem cells to supply biotechnology and pharmaceutical companies and has been meeting brokers and investors this week in the lead-up to the return to trading (BD: Nov 27, 2013).

Cynata closed up 11 cents or 22 percent at 61 cents with 1.4 million shares traded.

### PATRYS

Patrys says that so far 11 of the total 12 patients in its PAT-SM6 phase I/IIa trial in multiple myeloma were available for response evaluation.

Patrys said the final group of three patients received four doses of PAT-SM6 at 6mg/kg per dose and four of the 11 patients with end-stage, multi-resistant multiple myeloma had shown evidence of stable disease.

The company said the trial data would be presented at the American Society of Hematology meeting in New Orleans, Louisiana December 7 to 10, 2013.

Patrys said the 11 patients included nine males and two females with a median age of 71 years and had, on average, received five prior lines of therapy including autologous stem cell transplantation and other novel marketed compounds including Velcade and Revlimid. The company said that therapeutic options for such patients were usually limited to clinical trials and their median overall survival was about nine months.

Patrys said that all 11 evaluable patients tolerated PAT-SM6 very well with no drug-related serious adverse events and no dose-limiting toxicities.

Patrys chief executive officer Dr Marie Roskrow said the trial "produced some very exciting clinical data and it is particularly encouraging to see four patients, with end-stage multiple myeloma, respond so positively to treatment with this novel antibody".

"These clinical data, in conjunction with an extensive preclinical package, have positioned our lead product, PAT-SM6, for the next clinical trial to be sponsored by Onyx Pharmaceuticals, a subsidiary of Amgen," Dr Roskrow said.

Patrys was up 0.3 cents or 5.9 percent to 5.4 cents with 22.4 million shares traded.

### CIRCADIAN TECHNOLOGIES

Circadian's remuneration report was opposed by 3,011,539 votes (22.9%) with 10,134,971 votes (77.1%) in favor and director Don Clarke resigned prior to the meeting.

A vote of 25 percent against a remuneration report counts as a 'first strike' and a subsequent vote of 25 percent against a remuneration report at the next annual meeting leads to a vote, requiring a greater than 50 percent majority, to spill the board.

Circadian's most recent Appendix 3B share issue announcement said there were 48,633,020 shares on issue, meaning that the strongest opposition came from 6.2 percent of shares on issue, sufficient to requisition extraordinary general meetings.

This morning, Circadian said that Mr Clarke resigned and would not seek re-election at the annual general meeting.

Circadian said it "would like to express its sincere appreciation to Mr Clarke for his contribution over the past eight years as a non-executive director and as chair of the remuneration committee".

A partner at law firm Minter Ellison, Mr Clarke is a director of Phosphagenics and Webjet as well as unlisted companies.

Circadian fell half a cent or two percent to 24 cents.

## GENETIC TECHNOLOGIES

Genetic Technologies faced strong dissent against an extraordinary general meeting resolution vote on the issue of options and a convertible note prior to its annual meeting. The vote to approve the issue of a \$US5 million convertible note and an option for a further \$US5 million in convertible notes was opposed by 21,406,685 votes (35.6%), with 38,691,060 votes (64.4%) in favor.

Genetic Technologies most recent Appendix 3B new issue announcement said the company had 572,694,121 shares on issue, meaning that the votes against the note and options amounted to 3.7 percent of the company, not sufficient to requisition extraordinary general meetings.

The two remaining resolutions to the annual general meeting for the adoption of the remuneration report and the ratification of issued shares were passed overwhelmingly. Two directors Tommaso Bonvino and Benjamin Silluzio resigned and withdrew their nominations prior to the meeting.

Genetic Technologies was up one cent or 16.4 percent to 7.1 cents.

## GENETIC TECHNOLOGIES

Genetic Technologies says it has appointed Professor Ian McKenzie and Grahame Leonard as directors, replacing Tommas Bonvino and Benjamin Silluzio.

Mr Bonvino and Mr Silluzio resigned from the company prior to the annual general meeting (BD: Nov 14, 28, 2013).

Genetic Technologies said that Prof Ian McKenzie held a Bachelor of Medicine and Bachelor of Surgery from Melbourne University.

The company said that Prof McKenzie worked at the Massachusetts General Hospital in and at the Jackson Laboratory in Bar Harbor, Maine,

Genetic Technologies said that Prof McKenzie was appointed founding director of the Melbourne's Austin Research Institute, where his research resulted in the formation of Prima Biomed, of which he was a founding director.

The company said that Prof McKenzie's work was described in more than 700 papers, covering allo-transplantation and xeno-transplantation, cell surface antigens and studies in the diagnosis and therapy of cancer.

Genetic Technologies said that Prof McKenzie's laboratory "pioneered the application of monoclonal antibody technology in Australia in the 1970s, some of which were used in the clinic, either alone or as immuno-conjugates, or were used to develop serum based [enzyme-linked immunosorbent assay] tests for breast or ovarian cancer and were successfully licenced".

Genetic Technologies said that Mr Leonard was an accountant and lawyer and was formerly Nylex divisional general manager and later chief operating officer and finance director of the Australian arm of publisher Thomson Corp.

In 2008, Genetic Technologies founder Dr Mervyn Jacobson spilled the then board nominating Mr Leonard as the replacement for chairman Henry Bosch, chief executive officer Michael Ohanessian and directors John Dawkins, David Carruthers and Dr Leanne Rowe (BD: Oct 22, 2008).

Mr Leonard told Biotech Daily at that time that his agreement to stand for the board was dependent on his conducting satisfactory due diligence (BD: Sep 18, 19, 22, 2008).

Mr Leonard said he completed due diligence on the company.

"I have now withdrawn my candidacy," Mr Leonard said.

Asked if the two events were connected, Mr Leonard said in 2008: "No comment."

### NANOSONICS

Steven Kritzler has reduced his substantial holding in Nanosonics from 19,684,773 shares (7.54%) to 13,651,439 shares (5.19%).

The Sydney-based Mr Kritzler said he sold 6,000,000 shares for \$5,040,000 or 84 cents a share.

Nanosonics was up 0.5 cents or 0.6 percent to 85 cents.

### PROGEN PHARMACEUTICALS

Progen says that Dr Hongjen Chang has been appointed a non-executive director and director Jitto Arulampalam chairman following the resignation of chairman Stuart James. Mr James withdrew his re-election nomination on Wednesday November 27, one day before yesterday's annual general meeting which saw a 71 percent vote against the remuneration report (BD: Nov 27, 28, 2013).

Progen did not publish the proxy voting on the withdrawn resolution.

Today, Progen said that Dr Chang was an experienced life sciences venture capitalist "known for his expertise in the biopharmaceutical industry, health insurance, disease control and health information systems".

The company said that Dr Chang was currently the executive chairman of YFY Biotech Management Company and chief executive officer of Taiwan Global Biofund.

Progen said that Dr Chang had 16 years experience in Taiwan's Department of Health including as chief executive officer of the Bureau of National Health Insurance and director general of the Center of Disease Control.

The company said that Dr Chang held a medical degree from National Yang-Ming Medical College, a Master of Science in Public Health from National Taiwan University and a Master of Health Policy and Management from Harvard School of Public Health.

Progen was up one cent or 4.8 percent to 22 cents.