

Biotech Daily

Wednesday March 5, 2014

Daily news on ASX-listed biotechnology companies

* ASX, BIOTECH UP: PATRYS UP 9%, MEDICAL DEVELOPMENTS DOWN 4%

* CYNATA, U OF MASSACHUSETTS AMHERST MSC PROOF-OF-CONCEPT

- * ALCHEMIA LICENCES TWO CRC FAKS FROM UK CANCER RESEARCH
- * GRANDLODGE, ANASTASIOU INCREASE, DILUTED TO 13% OF IMMURON
- * NOVOGEN APPOINTS PROF PETER GUNNING, IAIN ROSS, DAVID GRYSKA
- * BIO-MELBOURNE, META, SWINBURNE MEDICAL TECH BREAKFAST

MARKET REPORT

The Australian stock market was up 0.85 percent on Wednesday March 5, 2014 with the S&P ASX 200 up 46.0 points to 5,446.2 points.

Fourteen of the Biotech Daily Top 40 stocks were up, nine fell, 10 were unchanged and seven were untraded. All three Big Caps were up.

Patrys was the best, up 0.4 cents or 9.3 percent to 4.7 cents with 13.7 million shares traded, followed by Sirtex up 5.7 percent to \$15.68 with 323,505 shares traded.

Phosphagenics climbed 4.2 percent; Benitec, Ellex, Neuren, Prana and Prima rose more than two percent; Clinuvel, Living Cell, Mesoblast, Psivida and Resmed were up more than one percent; with Bionomics, Cochlear, CSL and Starpharma up by less than one percent.

Medical Developments led the falls, down five cents or 3.85 percent to \$1.25 with 15,000 shares traded.

Atcor lost 3.7 percent; Acrux, Anteo, Impedimed and Nanosonics shed more than two percent; with Alchemia, GI Dynamics and Universal Biosensors down by more than one percent.

CYNATA THERAPEUTICS

Cynata says that the University of Massachusetts Amherst will conduct a proof-of-concept trial of its Cymerus stem cell technology for in graft-versus-host disease.

Cynata said that study would generate data for partnering discussions and as a prelude to a proposed clinical trial in graft-versus-host disease.

The company said that in graft-versus-host disease often followed a bone marrow transplant procedure and occurred when the immune cells in the donor graft material attacked the recipient's host tissues as foreign.

Cynata said that bone marrow transplants were used in the treatment of certain cancers including leukaemia.

The company said that the University of Massachusetts Amherst study followed an earlier proof-of-concept study in which the efficacy of the Cymerus off-the-shelf stem cell product was demonstrated in a rodent model of critical limb ischaemia, a blockage in the arteries of the lower extremities which markedly reduces blood-flow; seen particularly in patients with advanced diabetes.

Cynata said the study would be conducted through the University of Massachusetts Innovation Institute, under the supervision of Prof Lisa Minter.

The company said that Prof Minter would investigate the effects of its Cymerus mesenchymal stem cell product in preventing and treating graft-versus-host disease in a humanized rodent model, established in her laboratory.

Cynata said that in September 2013, Prof Minter and a colleague were awarded a fiveyear, \$US4.8 million grant from the National Cancer Institute as part of a multi-institutional research team and the focus of the research was graft-versus-host disease.

Prof Minter said that the administration of mesenchymal stem cells appeared to blunt the aggressive immune response mounted by donor cells in graft versus host disease (GvHD), an observation that has led to efforts to develop mesenchymal stem cells-based therapeutic products for the condition.

"We aim to test Cynata's [mesenchymal stem cells] product in our pre-clinical model to provide further evidence in support of its potential benefit in treating human GvHD," Prof Minter said.

Cynata chief executive officer Dr Ross Macdonald said the pre-clinical studies so far had shown "great promise for bringing the Cymerus technology into the clinic and eventually to the market".

"This study will provide important additional data on the therapeutic use of our Cymerus ... technology for commercial partners and to allow us to move towards a clinical trial in GvHD," Dr Macdonald said.

Dr Macdonald told Biotech Daily that his company and the University, located about 100 kms west of Boston, had agreements around the development of new intellectual property coming from the proof-of-concept trial.

Dr Macdonald said that the University of Massachusetts Amherst was actively seeking industry partnerships and collaborations.

Cynata said that its Cymerus technology facilitated large-scale production of mesenchymal stem cells from a single donor, a key element for pharmaceutical companies as they move into stem cell medicine.

Cynata was up one cent or 2.7 percent to 38 cents.

<u>ALCHEMIA</u>

Alchemia says it has licenced two early-stage focal adhesion kinase inhibitor anti-cancer drug candidates from the London-based Cancer Research Technology.

Alchemia said that the pre-clinical focal adhesion kinase (FAK) inhibitors originated from the Australian Cancer Therapeutics Cooperative Research Centre and would be

evaluated by Alchemia in various cancer and cancer stem cell models prior to initiation of formal preclinical and clinical development.

Cancer Research Technology's website said the company had a "discovery alliance" with the Cancer Therapeutics CRC.

Alchemia said that the two licences included fees, milestones and royalty payments, but the terms were not disclosed.

Alchemia chief scientific officer Prof Tracey Brown said the company was "looking forward to evaluating these novel molecules and their effect on the tumor environment and cancer stem cells that are essential for the growth, persistence and reoccurrence of cancer".

"We plan to use our established oncology and cancer stem cell models to evaluate the potential clinical benefits of the drugs in-vivo prior to initiating further [investigational new drug application] enabling studies," Prof Brown said.

Alchemia said that focal adhesion kinase was a non-receptor tyrosine kinase which played an important role in the development and spread of malignancies and had emerged as a promising target in cancer therapy.

The company said that inhibition of focal adhesion kinase had the potential to provide numerous therapeutic benefits to cancer patients by disrupting tumor development and metastasis, while overcoming chemo-resistance to a broad variety of currently used cytotoxic drugs.

Alchemia said that through these combined therapeutic effects, focal adhesion kinase inhibitors had the potential to treat a range of cancers and could provide a longer lasting clinical response and improved patient outcomes.

Alchemia chief executive officer Thomas Liquard said that the in-licencing of the two compounds would enable the Melbourne-based oncology research team to further evaluate and advance the assets.

Mr Liquard said that Cancer Research Technology had "a stellar reputation for scientific innovation and we are proud that [the Cancer Research Technology and the Cancer Therapeutics CRC] selected Alchemia to progress these FAK inhibitors".

The Cancer Therapeutics CRC chief executive officer Dr Warwick Tong said the Centre was "excited to see the first drug candidates from our novel pipeline move towards the next stage of their development".

Alchemia fell one cent or 1.7 percent to 57 cents.

IMMURON

Grandlodge and the Anastasiou Superannuation Fund have increased their substantial holding in Immuron from 155,276,929 shares to 376,380,011 shares.

Grandlodge and Anastasiou participated in and were diluted by the recent \$9.66 million 11-for-six rights issue from 14.74 percent to 12.61 percent (BD: Jan 22, 2014).

The substantial shareholder notices said that the Chirnside Park, Victoria-based companies acquired 261,103,082 shares for 0.5 cents on March 3, 2014 and sold 40,000,000 on market for the same price on the same day.

The notice was filed by Grandlodge director Peter Anastasiou, whose brother Stephen Anastasiou is a director of Immuron.

Immuron was unchanged at 0.7 cents with 13.4 million shares traded.

<u>NOVOGEN</u>

Novogen says it has appointed Prof Peter Gunning and Iain Ross as directors replacing Robert Birch and Dr Andrew Heaton, with David Gryska appointed as a strategic advisor. Novogen said that Prof Gunning was the prime inventor of the anti-tropomyosin drug technology platform it acquired in 2013.

The company said that the appointments were effective from March 3, 2014, and reflected the expansion in the US.

Novogen said that Prof Gunning was currently the University of New South Wales head of the Oncology Research Unit and had published more than 100 research articles and edited the first book devoted to Tropomyosin.

The company said that Prof Gunning was previously served chair of the Division of Research at the Children's Hospital at Westmead, chair of the Westmead Research Hub Executive and chair of Bio-Link.

Novogen said that Mr Ross was currently a non-executive director of Benitec and Tissue Therapies and was previously and executive with Sandoz AG, Fisons plc, Hoffman La Roche and Celltech Group plc.

The company said that Mr Gryska had more than 20 years of experience with Scios, Johnson & Johnson and Celgene.

Novogen was up one cent or 5.6 percent to 19 cents.

BIO-MELBOURNE NETWORK

The Bio-Melbourne Network says its March Bio-Breakfast will discuss the Manufacturing Excellence Taskforce Australia and the Swinburne industry training centre

The Bio-Melbourne Network said the two significant initiatives would bolster the Australian medical device and diagnostics sector.

The Network said that in July 2013, the Manufacturing Excellence Taskforce Australia (META) was established as a national membership organization to represent Australia's manufacturing industries.

According to the Taskforce's national executive Dr Ashley Bates it "is focused on enabling industry to create the changes it needs to prosper by fostering creative partnering with universities and other research groups to drive real innovation and improve performance across manufacturing sectors including medtech".

The Bio-Melbourne Network said that Swinburne University of Technology in Hawthorn Victoria was preparing to launch an Australian Research Centre-funded "innovative industry training centre aimed at fostering closer links between researchers and industry and creating business-ready, innovative researchers".

Swinburne's Prof Paul Stoddart said that the "training centre in biodevices and diagnostics will assist companies to develop the next generation of innovative and profitable products to deal with community healthcare needs".

The Network said that Dr Bates and Swinburne's Prof Sally McArthur would discuss the initiatives and the opportunities for medical technology developers and research organizations at the March 11, 2014 Bio-Breakfast at the Shell Conference Centre, 1 Spring Street, Melbourne.

Registration is from 7:15am followed by breakfast for presentations from 8am to 9am. For more information and to register go to: <u>http://www.biomelbourne.org/events/view/313</u>