



# Biotech Daily

Tuesday February 24, 2015

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH UP: GENETIC TECHNO UP 31%, PHARMAXIS DOWN 5%**
- \* **ACTINOGEN RECRUITS SUBJECTS FOR XANAMEM ALZHEIMER'S TRIAL**
- \* **PHYLOGICA EURO PATENT FOR SCREENING, DRUG RESISTANCE**
- \* **ANTEO FILES SAMPLE PRE-TREATMENT BIOSEPARATIONS PATENT**
- \* **NSW PROMISES \$20m FOR PAEDIATRIC RESEARCH - IF RE-ELECTED**
- \* **PHARMAUST 5<sup>th</sup> PATIENT BIOMARKER CHANGES IN PPL-1 CANCER TRIAL**
- \* **USCOM H1 REVENUE UP 147% to \$1m, LOSS DOWN 40% TO \$391k**
- \* **CELLMID H1 REVENUE DOWN 55% TO \$685k, PROFIT TO \$1m LOSS**
- \* **MAYNE COMPLETES DORYX ACQUISITION**
- \* **CORRECTION: ATCOR**
- \* **LIVING CELL FOUNDER PROF BOB ELLIOTT STEPS DOWN AS EXECUTIVE**
- \* **ANATARA: DR PAUL SCHOBBER CEO, DAMIAN WILSON, PAUL GRUJIC**

## MARKET REPORT

The Australian stock market was up 0.32 percent on Tuesday February 24, 2015 with the S&P ASX 200 up 19.0 points to 5,927.0 points. Fourteen of the Biotech Daily Top 40 stocks were up, 13 fell, 11 traded unchanged and two were untraded.

Genetic Technologies was the best on no news, up 1.6 cents or 31.4 percent to 6.7 cents with 46.95 million shares traded, followed by Mesoblast up 47 cents or 11.7 percent to \$4.50 with 1.0 million shares traded. Patrys climbed 9.1 percent; Biotron rose 7.4 percent; Antisense, GI Dynamics and Sirtex were up five percent or more; Ellex and Optiscan climbed more than four percent; Oncosil was up 3.2 percent; Anteo and Bionomics rose more than two percent; CSL, Resmed and Universal Biosensors were up more than one percent; with Osprey up by 0.8 percent.

Pharmaxis led the falls, down 0.5 cents or 5.15 percent to 9.2 cents with 740,531 shares traded. Tissue Therapies lost 4.1 percent; Prana fell 3.2 percent; Avita, Circadian, Clinuvel and Starpharma shed more than two percent; with Impedimed, Nanosonics, Neuren and Viralytics down more than one percent.

## ACTINOGEN MEDICAL

Actinogen says it has recruited the first of 24 participants for the second phase I study of Xanamem, formerly known as UE2343, for Alzheimer's disease (BD: Feb 16, 2015).

Actinogen said the double-blinded, placebo-controlled study would be conducted at Linear Clinical Research at the Queen Elizabeth II Hospital in Perth, Western Australia, with healthy volunteers dosed at 10mg, 25mg and 35mg of Xanamem in a multiple ascending dose, with eight patients in each cohort.

The company the primary endpoint was to confirm how the body absorbed and metabolized Xanamem and the optimal dose for the drug, with results expected by mid-2015.

Actinogen company said that two follow-on phase I studies would include "a fast fed study" of Xanamem in 12 patients and a cohort of four patients to confirm the central nervous system pharmacokinetics of Xanamem.

The company said that full results were expected by mid-2015, with a phase II study expected to start in 2016.

Actinogen chief executive officer Dr Bill Ketelbey said the recruitment was "a key milestone for Actinogen Medical and our aim to demonstrate that Xanamem is a valuable treatment option for Alzheimer's disease".

Actinogen was up 0.3 cents or 4.55 percent to 6.9 cents.

## PHYLOGICA

Phylogica says it has been allowed a European patent entitled 'Peptide Modulators of Cellular Phenotype and Bi-nucleic Acid Fragment Library'.

Phylogica said that the patent provides coverage until 2025.

The company said that the invention provided a phenotypic method for screening Phylomers in mammalian cells and/or whole organisms to identify new disease targets and to predict potential pathways of drug resistance.

Phylogica said another application of the screening technology provided structural information for the optimization of peptide therapeutics, which had shown to be functionally active in phenotypic screens and the Phylomer libraries, or variations of a peptide hit, could be used to screen for peptides that could prevent cell death.

The company said that phenotypic rescue screens were often used in the pharmaceutical industry to map disease pathways, identify novel disease-associated targets and to characterize their vulnerabilities for attack using drugs and several of the most important targets involved in cancer had been found using these screening approaches.

Phylogica chief executive officer Dr Richard Hopkins said the company was "delighted by the broad scope of claims awarded in this patent as they cover the use Phylomers in a wide array of genetic screening approaches typically used in the industry to characterize disease-pathways".

"Such screening approaches can provide invaluable insight into the mechanisms underlying diseases such as cancer and can help identify new drug targets," Dr Hopkins said.

"Evidence suggests the Phylomers will function as very powerful tools to probe the intracellular landscape for targets in a manner that will prove more informative than conventional phenotypic screening methods," Dr Hopkins said.

Dr Hopkins said the patented method provided a means for anticipating whether cancer might have a way of evading a particular therapy through exploiting escape pathways to become resistant to a drug.

Phylogica fell 0.2 cents or 7.7 percent to 2.4 cents.

## ANTEO DIAGNOSTICS

Anteo says subsidiary Anteo Technologies Pty Ltd has filed a patent application to the US Patent and Trademark Office, for a method to remove or decrease sample interference.

Anteo said that the patent application was entitled 'Compositions, apparatus and methods for high avidity binding of interfering species in sample analysis' and covered approaches for clearing or depleting interfering substances from pathology samples prior to testing.

The company said that since 2013 when it raised funds to accelerate work on bio-separations followed by several patent filings and this filing was "a valuable addition to that estate" and there was a need for a simple, cheap, and effective solution to pre-treat samples, such as human serum and plasma specimens to mitigate risk.

Anteo said that the patent provided "a method to remove or decrease interference in a sample without damaging the integrity of that sample ... and further, the method removes the need for expensive and time-consuming additional steps".

The company said that the invention could incorporate the products that it already commercialized and as was the case with its platform, the invention "creates the surface scientists want on the surface they have".

Anteo chief executive officer Dr Geoff Cumming said the application "builds on previously filed patents and strengthens our [intellectual property position].

Dr Cumming said that the intellectual property covered by the patent on the point of care sensor surface could further improve outcomes with the device.

Anteo was up 0.2 cents or 2.2 percent to 9.4 cents with 1.2 million shares traded.

## NEW SOUTH WALES GOVERNMENT

The New South Wales Government says that if it is re-elected next month it will invest \$25 million to expand and improve paediatric research facilities.

A media release from Health Minister Jillian Skinner said the investment would establish Australia's first large-scale clinical trials centre exclusively for paediatric research.

"This is a ground-breaking investment and one which has life-saving potential for children and babies right across Australia," Ms Skinner said.

"The \$6 million clinical trials centre will be built at the Kids Research Institute as part of the Sydney Children's Hospital Network," Ms Skinner said.

"Paediatric researchers from across [New South Wales], including the KRI, the Children's Medical Research Institute at Westmead and the Children's Cancer Institute at Randwick will all have access to the facility," Ms Skinner said.

"The importance of these organizations working together cannot be underestimated," Ms Skinner said.

"Work will begin on-site in the next term of the ... Government if re-elected on March 28," Ms Skinner said.

The media release said the balance of the \$25 million would include a \$5.5 million upgrade to facilities, equipment and technology across the three main research facilities, \$1 million to enhance the Gene Vector Lab at the Children's Medical Research Institute, \$10 million to relocate all paediatric research pockets scattered across the Sydney Children's Hospital at Randwick to one floor of the Nelune building, as part of the Bright Alliance, with \$2.5 million to upgrade and increase laboratory space for the personalized medicine program at the Children's Cancer Institute at Randwick.

Ms Skinner said the funding will complement the \$20 million invested by the Government in its first term to fund the expansion of the Children's Medical Research Institute, which doubled the research capability by adding laboratory space for an extra 120 scientists.

## PHARMAUST

Pharmaust says that a further patient analyzed for levels of p70S6K tumor marker, has also shown a meaningful reduction following oral treatment with PPL-1.

Earlier this month, Pharmaust said that a preliminary analysis of the white blood cells from four patients on PPL-1 had shown a meaningful reduction of p70S6K, a key target expressed in the cancer (BD: Feb 9, 2015).

Today, the company said that preliminary analysis of pharmacokinetic serum levels of PPL-1 in patients receiving the drug at the Royal Adelaide Hospital confirmed absorption following oral dosing and indicated that PPL-1 was active in the high nanomolar range which was similar to other cytotoxic drugs used during chemotherapy.

Pharmaust executive chairman Dr Roger Aston said that "even though we are dealing with small numbers of patients in our analyses so far, it is exciting to see that we have achieved a statistically significant drop in p70S6K levels in white blood cells in the five patients examined so far [with]  $p < 0.001$  at day three of dosing".

"It is furthermore encouraging that the reduction in the p70S6K tumor marker appears to correlate with blood levels of the drug," Dr Aston said.

"The clinical research staff monitoring the trial, have not noted any serious adverse events further supporting the low side-effect profile of PPL-1," Dr Aston said.

Pharmaust said that p70S6K was considered as a promising marker and indicator of the aggressive behavior and prognosis of carcinomas.

The company said that over-expression of p70S6K was generally associated with aggressive disease and poor prognosis among cancer patients.

Pharmaust said that patients with elevated p70S6K often had poor survival rates and metastases and reductions of p70S6K in blood cells might reflect blocks to tumor progression.

Pharmaust was up 0.1 cents or 12.5 percent to 0.9 cents with 3.1 million shares traded.

## USCOM

Uscom says that revenue for the six months to December 31, 2014, was up 147.2 percent to \$956,886 reducing net loss after tax 39.7 percent to \$391,307.

Uscom executive chairman Dr Rob Phillips said the company had increased the number of distributors by 15 to 27 worldwide.

"These distributors are now starting to return early sales and we look forward to them increasing capacity over the next 12 to 18 months," Dr Phillips said.

"We are just beginning to see take-up of the BP+, and expect this increase to continue over the next 12 to 18 months," Dr Phillips said.

"We continue to appoint new distributors, seek incremental business opportunities and are committed to developing strategic partnerships with distributors of scale and reach," Dr Phillips said.

The company said that in the six months to December 31, 2014, China approved registration of its Uscom 1A ultra-sonic cardiac output monitor, the company won the Johnson & Johnson Company of the Year award, it signed six US and Europe distribution agreements and sold an Uscom 1A to the Russian Federal Space Agency.

Uscom said that diluted loss per share fell 44.4 percent to 0.05 cents for the six months to December 31, 2014, with net tangible assets per share up 22.2 percent from 1.8 cents at December 31, 2013 to 2.2 cents at December 31, 2014.

The company said it had cash and cash equivalents of \$1,002,196 at December 31, 2014, compared to \$1,582,834 at June 30, 2014.

Uscom was unchanged at 19 cents.

### CELLMID

Cellmid says its revenue for the six months to December 31, 2014 fell 55.2 percent to \$685,183 taking the previous \$166,979 net profit after tax to a loss of \$998,125.

Cellmid said that while the consolidated entity incurred a loss over the six months, "it has made significant progress in all key business divisions" including its midkine diagnostics and treatments and its Évolis hair loss treatment business.

Cellmid said that its net tangible asset backing per share fell 31.5 percent from 0.73 cents at December 31, 2013 to 0.50 cents at December 31, 2014.

The company said that said that diluted loss per share was 0.14 cents compared to the previous corresponding period's diluted earnings per share of 0.04 cents.

Cellmid said it held cash and cash equivalents of \$2,689,411 at December 31, 2014 compared to \$2,501,753 at June 30, 2014.

Cellmid was unchanged at 2.5 cents.

### MAYNE PHARMA GROUP

Mayne Pharma says it has completed of the acquisition of the Doryx brand and related assets for \$US50 million (BD: Feb 10, 2015).

Mayne said that the acquisition was funded by the proceeds of the institutional entitlement offer and institutional placement.

Mayne chief executive officer Scott Richards said the company was "pleased to have completed the acquisition of the Doryx assets slightly ahead of schedule".

"The acquisition is extremely exciting for Mayne Pharma and will transform the business in terms of earnings and cash flow," Mr Richards said.

Mayne fell one cent or 1.2 percent to 83 cents with 1.45 million shares traded.

### ATCOR MEDICAL

Last night's edition correctly headlined Atcor's increased revenue taking its previous first half \$958,858 loss to a \$41,451 net profit after tax but misstated the revenue figure.

Atcor's revenue for the six months to December 31, 2014 was up 6.9 percent to \$2,858,838 and not as reported.

The mistake was made by the former Monday Morning Half-Year Report Sub-Editor who has been returned to the University of Southern Oodnadatta for re-education.

Atcor was unchanged at 10 cents.

### LIVING CELL TECHNOLOGIES

Living Cell says that co-founder Prof Bob Elliott will step down as the clinical research and innovation executive director, with effect from February 27, 2015.

Living Cell said that Prof Elliott would continue as a director and chairman of the 50 percent joint venture company Diatranz Otsuka.

The company said that Prof Elliott intended to establish his own consultancy and would pursue a number of projects in which he has a personal interest.

Living Cell said that it would have the first right of refusal on projects developed by Prof Elliott.

The company said it was originally established as Diatranz by Prof Elliott and David Collinson, began hiring staff in 1999 and in 2003 became Living Cell and listed on the ASX in 2004.

Living Cell was unchanged at six cents.

## ANATARA LIFESCIENCES

Anatara says it Dr Paul Schober replaces Dr David Venables as chief executive officer, with Damian Wilson to head business development and Paul Grujic appointed a director. Anatara said that Dr Paul Schober's appointment was effective from March 2, 2015. The company said that Dr Schober would leave his current position as Virbac's Peptech Animal Health general manager.

Anatara said that Dr Schober had extensive experience in animal health including research and development, clinical trial management, regulatory, manufacturing, sales and marketing as well as ASX investor relations.

The company said that Dr Schober was involved in the first Australian biotechnology product to achieve US Food and Drug Administration registration, the animal health product, Ovuplant in 1998, assisting in the launch in the US and European Union, as well as the regulatory approval and launch of the animal health product Suprelorin in Australia and the European Union, along with distribution agreements with animal health companies.

Anatara said that UK-based managing director Dr Venables would retire as a director and continue on a contractual consultancy basis, continuing to play "a key role" in its strategic positioning, manufacturing planning and the European regulatory plans.

The company said that Mr Wilson had experience in animal health companies, including start-up enterprises as well as large private companies and had "a proven track record in managing, business development, partnering, and sales and marketing of animal health products across more than 20 countries, including entry into new Asian markets".

Anatara said that Mr Wilson had occupied senior positions at companies including Norbrook Laboratories and Coopers Animal Health.

The company said that Mr Grujic was most recently the president of CSL Animal Health and a member of CSL's executive committee and was responsible for the company's animal health business with a staff of 250 and three manufacturing sites in Australia, the US and New Zealand.

Anatara said that Mr Wilson had held senior positions in companies including Glaxosmithkline, Fort Dodge, American Cynamid, Pitman-Moore and Webster Animal Health.

Anatara was unchanged at 46.5 cents.