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## Life Science Investment Summit Report

The third Australasian Life Science Investment Summit (ALSIS) was held in Adelaide this week, running in parallel with the final day of **Ausbiotech 2011**, the annual conference organised by Ausbiotech.

ALSIS is a genuine Australasian affair, including not only New Zealand companies, but for the first time a wound and bone healing company, CIMTECH, that is aiming to develop natural products from the Cook Islands.

ASX listed companies which presented included Acrux, Alchemia, Benitec, Bionomics, Biotron, Calzada, Cellmid, Genetic Technologies, Mayne Pharma, Nanosonics, Neuren Pharmaceuticals, Phosphagenics, Phylogica, Prana Biotechnology, QRxPharma, and Sunshine Heart.

Other private companies that presented were Atomic Diagnostics, Minomic International, Biosceptre International, Broadvector, Elastagen, EnGeneic, Global Kinetics Corporation, GlycoSyn IRL, Hunter Immunology, Innate Therapeutics, Lipotek, Meat and Livestock Australia, Mesynthes, Nemgenix, Neural Diagnostics Orthocell, Photonz and PolyActiva.

### A Surprise ! – 'Allara Therapeutics'

Although 37 companies were scheduled to present in tight six-minute slots, the surprise of the day was the 38th, which was the last minute inclusion of Allara Therapeutics, a company still being formed. Allara is seeking to raise \$30 million to fund the development of a suite of drugs no longer deemed relevant to the **Teva Pharmaceutical Industries** portfolio following its recently approved acquisition of **Cephalon**. In fact, some of these assets were previously in the hands of **Arana Therapeutics**, which was acquired by Cephalon in 2009. Stefan Nock, currently General Manager of Cephalon Biologics, and formerly Acting CEO of Arana Therapeutics, said the proposition could be described as a "Series A investment in a Series C company".

Allara is being structured as trans-Pacific antibody drug development company, locating product development in Sydney and business development in San Francisco. A key attraction of establishing an Australian entity is the recently passed R&D tax credit legislation, which offers a 45% cash back on R&D expenditures. At this stage, the company is not contemplating an ASX listing.

Allara has packaged four antibodies alongside several other targets. CEP-37250, which is being developed jointly with **KyowaKirin**, is a humanised monoclonal antibody which targets a novel colorectal cancer surface antigen. It has been re-engineered using **BioWa's** Potelligent technology, which removes fucose sugars to enhance its antibody dependent cellular cytotoxicity. However, what may make it commercially interesting is that it is effective in the presence of both wild-type and KRAS-mutated cancers, filling the gap where Erbitux and Vectibix have no effect. An IND for CEP-37250 was filed in 2011 Q3.

Its next in line antibody is CEP-37248, an anti-IL-12/23 humanized antibody which may have potential in treating Crohn's dis-

ease and Primary Biliary Cirrhosis. An IND filing is anticipated for 2012 Q2.

Two programs at the lead or validation stage are an anti-CD1d antibody, with the disease target being steroid-refractory asthma, and an anti-myeloma antibody.

The Allara business model is based on spending \$10-\$15 million per asset over a three year period and then moving to sell the asset at the clinical proof-of-concept stage. With more and more large pharmaceutical companies moving out of this earlier stage of product development, it may be that Allara represents an exciting opportunity structured by a group of seasoned biotech executives with an impeccable sense of timing.

### Hunter Immunology

One company of interest to investors is Hunter Immunology, which is undertaking a backdoor listing through **Probiomics** (ASX:PCC), with the re-listing scheduled to be finalised by 2012 Q1.

Hunter Immunology has been developing HI-1640V, an oral immunotherapeutic for treating Chronic Obstructive Pulmonary Disease (COPD). In a Phase IIa trial, HI-1640V reduced exacerbations or flare-ups by 60%, hospitalisations by 90% and anti-biotic use by 56%. This data is one explanation of why the company has gained the attention of many pharmaceutical companies, signing confidentiality agreements with 10.

HI-1640V is an enteric-coated tablet which contains 45 mg of inactivated, whole cells of non-typeable *Haemophilus influenza* (isolate 164). (The cause of most flare ups is *Haemophilus influenza*)

The company enrolled 320 patients in a Phase IIb study across 21 Australian centres before winter. Results of the randomised, double-blind, placebo controlled trial are expected in March or April 2012. The primary endpoint of the trial is the rate of exacerbations that require corticosteroid treatment or hospitalisation.

COPD is medical condition that imposes costs through hospitalisations. An estimated 54,000 people were hospitalised in Australia in 2010 due to COPD exacerbations. It is expected that Hunter Immunology's immunotherapy would be taken each year prior to the onset of winter, thus providing an annuity income from the product. Hunter Immunology is focusing on moderate to severe COPD. About 10% of the overall COPD group, 10 million people, are estimated to suffer from moderate to severe COPD globally.

Once Hunter Immunology successfully lists on the ASX it anticipates that it will raise funds to support clinical studies in asthmatic patients. Hunter Immunology also plans to re-build sales of the Probiomics probiotics products.