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## *Financings Roundup*

### **Intradigm Raises \$18.5M for RNAi Cancer Program**

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Staff Writer

Intradigm Corp. has raised \$18.5 million in a Series B financing to support development of its early stage systemic RNA interference (RNAi) program for cancer.

While numerous companies, public and private alike, are racing to come up with either a RNAi-based therapy or a delivery method for such products, Intradigm said it may be the only private company to own the rights to both the intellectual property and the delivery system for its systemic RNAi platform.

Publicly traded Alnylam Pharmaceuticals Inc. has a strong proprietary position in the field and has access to Tekmira Pharmaceuticals Corp.'s RNAi delivery method. But many other companies in the space are working solely on a delivery system for an RNAi-based therapy, including Tekmira Pharmaceuticals Corp., German firm Silence Therapeutics plc, Calando Pharmaceuticals Inc. and Nucleonics Inc.

Intradigm believes it could have an edge in attracting major drug companies that may be looking to deal with a single company with both IP rights and a delivery system for RNAi therapies, Mohammad Azab, president and CEO of Intradigm, told *BioWorld Today*. A system that can deliver RNAi inside the cell remains the biggest challenge in the RNAi therapeutic development, he said.

Azab figures that more than a half-dozen major drug-makers have shown an interest in RNAi, and his company is in early stage talks with multiple such firms. He said big pharma continues to keep "close tabs" on many of the companies in the space, Intradigm included.

"We are a biotech company that uses nanotechnology in our delivery," Azab said, referring to Intradigm's RNAi Nanoplex delivery technology.

In addition to its delivery technology, the company also has sequenced a proprietary portfolio of siRNA sequences against more than 50 highly valued oncology and other disease targets. Its Nanoplex technology could deliver siRNA to any one of the 50 targets, Azab said.

Intradigm also secured an exclusive license to the Zamore patent family from the University of

Massachusetts, which covers more potent next-generation siRNA sequences.

Intradigm has three top candidate targets, one of which can target genes previously "undruggable" by small molecules and antibodies, Azab said.

Of the three preclinical candidates, Azab said, one of them is expected to be selected as the lead in early 2009 and could enter the clinic in 2010.

Currently, there is no approved RNAi therapeutics, and few are in the clinic.

Earlier this year, Intradigm made a strategic decision not to move forward with its VEGF siRNA product after investors and potential partners indicated that the VEGF field already was well validated and extremely crowded, Azab said.

At this point, there is good evidence that Intradigm's RNAi delivery system is directed at cancer. Beyond that, it also is expected to work to deliver siRNAs to blood cells, tissue in the liver and tumors.

Azab said Intradigm's RNAi products may work in complementary ways with other cancer therapies, working to shut down the production of certain proteins while any remaining proteins could be blocked using existing therapies.

It can take up to three years to come up with one small molecule or antibody against a particular target, Azab said, but just three months for RNAi to provide the sequencing that would block that particular disease gene. Intradigm has identified some in just two months, he said.

Founded in 2001, Intradigm has raised close to \$40 million in capital to date, including seed financing. With its current cash, the company hopes to identify a lead candidate and get at least one of them in an investigational new drug-enabling study, Azab said. By that time, he hopes to attract additional financing with study data or attract a significant partner.

In other financing news:

• **Neovacs SA**, of Paris, and Biomedical Diagnostics have received a €7.9 million (US\$10.9 million) grant from

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OSEO Innovation to support "Tracker," a theranostics project concerning rheumatoid arthritis. Of that amount, €5.4 million is a repayable advance. The most effective drugs currently available, anti-TNF monoclonal antibodies, rapidly induce antibodies that neutralize them increasingly over time. Those antibodies lead to resistance and/or intolerance to the treatment, which subsequently becomes ineffective and/or toxic. A UK study showed that more than a quarter of patients abandon that type of medication within 15 months. The main aim of the Tracker project is to validate the diagnostics tools developed by BMD to evaluate those neutralizing antibodies and to test a therapeutic solution developed by Neovacs involving active anti-TNF immunization. The OSEO Innovation funding totals €7.9 million, with €2.5 million as a grant and €5.4 million as a repayable advance. OSEO Innovation supports innovative projects in order to share the inherent risks of R&D programs of SMEs, thereby facilitating access to private funding.

• **Northwest Biotherapeutics Inc.**, of Bethesda, Md., has entered a loan agreement and promissory note with SDS Capital Group SPC Ltd. for a \$1 million loan. The note is

an unsecured obligation of the company and accrues interest at the rate of 12 percent per year. The term of the note is six months, with a maturity date of April 1, 2009. In connection with the note, the company has issued to SDS a warrant to purchase up to 299,046 shares of the company's common stock at 53 cents per share, which was the closing price of the company's common stock on the AIM market of the London Stock Exchange on Oct. 1. The investment warrant is exercisable immediately, and expires five years from the date of issuance.

• **Transave Inc.**, of Monmouth Junction, N.J., has secured a \$12.5 million venture loan from CIT Healthcare and Compass Horizon Funding Company LLC, an affiliate of Horizon Technology Finance Management LLC. That financing, in addition to a \$35 million Series D financing closed in March, will enable the company to complete its Arikace Phase II program for the treatment of pseudomonas infections in cystic fibrosis patients. It also allows the company to broaden the Arikace clinical trial program by initiating a Phase II trial in a second area of high unmet need: bronchiectasis patients who have pseudomonas lung infections. ■