



# Biotech Daily

Thursday August 1, 2013

*Daily news on ASX-listed biotechnology companies*

- \* JULY BDI-40 UP 9%, ASX200 UP 5%; BIG CAPS UP 5.5%
  - TISSUE THERAPIES UP 96%, PATRYS 91%, ANTISENSE 86%, BIONOMICS 75%
- \* TODAY: ASX, BIOTECH FLAT: ATCOR UP 19%, ANTISENSE DOWN 11%
- \* GENETIC TECHNOLOGIES UP TO \$16.4m PLACEMENT, PLAN, NOTES
- \* AUSTRALIAN ETHICAL TAKES 6% OF PHARMAXIS
- \* ECO QUEST: PLACEMENT; DR STEWART WASHER, DR ROSS MACDONALD
- \* FURTHER EUROPEAN DELAY FOR CLINUVEL'S SCENESSE
- \* ANTISENSE REQUESTS PHASE II 'TRIAL UPDATE' TRADING HALT
- \* INVION EXPECTS \$1.5m R&D TAX REFUND
- \* PHARMAUST ONE QUARTER CASH; \$2.5m PELATON PITNEY PLACEMENT
- \* BLUECHIIP HAS ONE QUARTER CASH, ALL OPTIONS OPEN
- \* BIOXYNE HAS LESS THAN ONE QUARTER CASH,
- \* ACUVAX HAS ONE QUARTER CASH

## MARKET REPORT

The Australian stock market edged up 0.19 percent on Thursday August 1, 2013 with the S&P ASX 200 up 9.5 points to 5,061.5 points. Twelve of the Biotech Daily Top 40 stocks were up, 13 fell, 10 traded unchanged and five were untraded.

Atcor was the best on a published study, up two cents or 19.05 percent to 12.5 cents, with 3.6 million shares traded, followed by Cellmid up 10.7 percent to 3.1 cents with 1.2 million shares traded. Patrys climbed 4.9 percent; Medical Developments, Pharmaxis, Psivida and Resmed were up more than three percent; GI Dynamics rose 2.8 percent; CSL, Optiscan and Starpharma were up more than one percent; with Acrux, Heartware and Sirtex up by less than one percent.

Antisense led the falls, down 0.2 cents or 11.1 percent to 1.6 cents with 22.85 million shares traded, followed by Clinuvel down 10.5 percent to \$1.70 with 87,194 shares traded. Genetic Technologies lost 8.2 percent; Neuren and Universal Biosensors fell six percent or more; Living Cell and Prana were down more than five percent; Alchemia, Cochlear and Prima fell more than four percent; Allied Health, Anteo and Benitec were down more than one percent; with Nanosonics down 0.7 percent.

### BIOTECH DAILY TOP 40 INDEX (BDI-40)

July was a stellar month for the Biotech Daily Top-40 Index (BDI-40) - up 9.2 percent with nine companies increasing by more than 50 percent.

The S&P ASX200 was up 5.2 percent and the three Big Caps of Cochlear, CSL and Resmed (which are not included in the BDI-40) were up 5.5 percent. For the year-to-date, the BDI-40 was up 15.1 percent, the ASX200 up 18.3 percent and Big Caps 45.2 percent.

For July, 30 BDI-40 companies were up, seven fell and three were unchanged.

Tissue Therapies was the best, on news that the European regulators had found a pathway for its Vitrogro wound treatment, up 96.0 percent to \$49 million, but still well below its \$81 million a year ago, before the regulators confused themselves. Patrys was up 90.9 percent to \$21 million, followed by Antisense (85.7%), Bionomics (75.2%), Benitec (60%), Impedimed (58.8%), Prana (57.6%), Prima (52.5%), GI Dynamics (51.5%), Antisense (45.5%) and Neuren (44.6%).

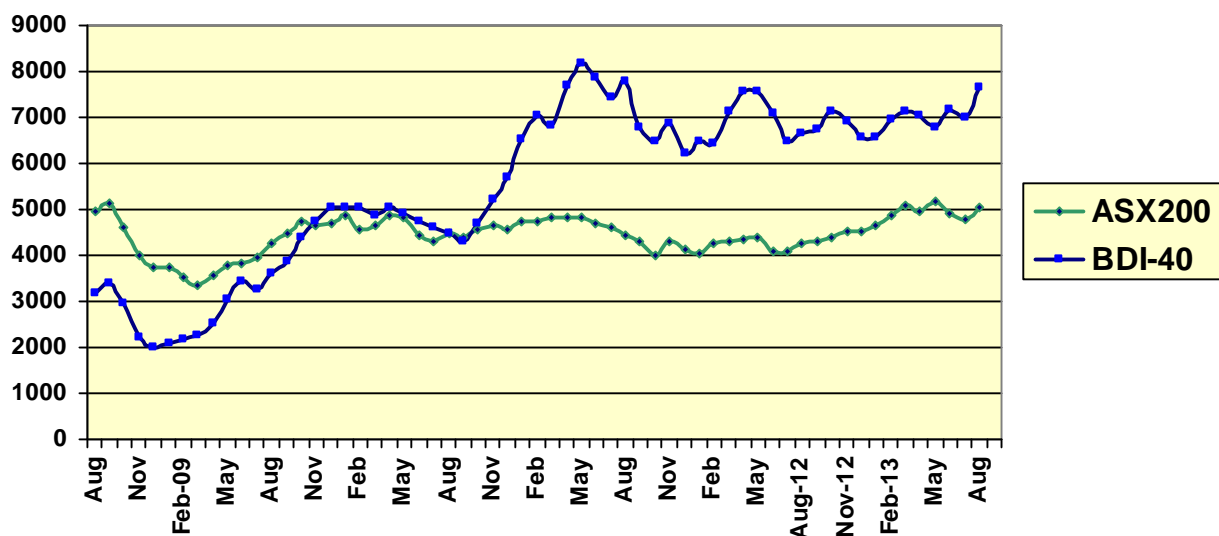
Phosphagenics led the few falls, down 19.5 percent to \$107 million on news of a \$5.7 million fraud. Uscom lost 7.7 percent to \$12 million, followed by QRX (7.1%), Genetic Technologies (7.0%), Acrux (4.8%), Anteo (4.3%) and Psivida (1.1%).

In the year to date, Neuren rose 344.4 percent, followed by Allied Health (266.7%), Prana (222.2%), Bionomics (162.8%), Patrys (133.3%), Uscom (100%) and Sirtex (97.5%).

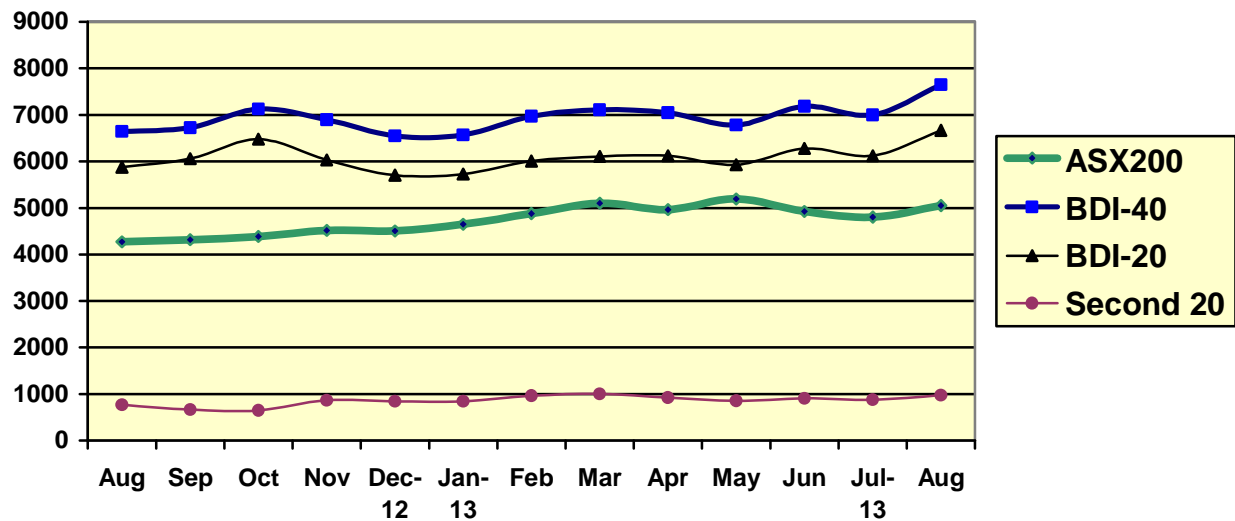
Outside the BDI-40, Isonex was up a further 105.1 percent in July to \$162 million, from \$6 million, just 12 months ago. The rebadged and recapitalized Oncosil (formerly Neurodiscovery) was up 150 percent to \$25 million in July and Invion put on 66.7 percent to also reach a capitalization of \$25 million. Mayne Pharma was only up 24.2 percent in July, but for the year to date was up 478.2 percent from \$55 million to \$318 million.

On the Nasdaq, Biota was up 19.6 percent to \$128 million and Sunshine Heart was up 38.4 percent to \$101 million, helped by the fall in the Australian dollar relative to the US.

### **BDI-40 v ASX200 Jul 31, 2008 to Jul 31, 2013 (Five Year Data)**



## BDI-40 (\$m) v S&P ASX 200 – Jul 31, 2012- Jul 31, 2013 (12-Month Data)



## GENETIC TECHNOLOGIES

Genetic Technologies hopes to raise up to \$16.4 million through a \$2.2 million placement a \$3 million share plan and two US convertible notes at \$US5 million (\$A5.6 million) each. Genetic Technologies said that the placement and share plan would be at 7.2 cents a share.

The company said it had a term sheet providing for redeemable convertible notes with the Tortola, British Virgin Island-based Ironridge Global IV to raise \$US5,000,000 (\$A5,574,860) with an interest rate of 7.5 percent per annum and redeemable at a fixed price of \$US3.00 (\$A3.35) per American depository receipt (ADR).

One ADR is equivalent to 30 Genetic Technologies Australian shares.

Genetic Technologies chief executive officer Alison Mew told Biotech Daily that Ironridge had the option to take up a further \$US5 million convertible note, pending price hurdles, also at an interest rate of 7.5 percent per annum but with the conversion fixed at \$US4.00 (\$A4.46) per note.

The company said that Lodge Corporate was the lead manager on the fund raising with Ladenburg Thalmann & Co acting as the placement agent on the notes.

Genetic technologies said the proceeds would go to expanding the US distribution for the Brevagen breast cancer test; completing additional studies to add Hispanic and African American ethnicities to the test; expand the addressable market; increase awareness for the Brevagen test through broader and more active key opinion leader and speaker programs; improve reimbursement performance; and general working capital.

Genetic Technologies fell 0.7 cents or 8.2 percent to 7.8 cents.

## PHARMAXIS

Australian Ethical Smaller Companies Trust has increased its substantial shareholding in Pharmaxis from 15,448,517 shares (5.01%) to 18,797,742 shares (6.09%).

Australian Ethical's substantial shareholder notice said it acquired shares between June 6 and July 29, 2013 with the largest acquisition, 1,600,000 shares for \$225,000 or 14.06 cents a share.

Pharmaxis was up 0.5 cents or three percent to 17 cents.

### ECO QUEST

Eco Quest has appointed Dr Stewart Washer as executive chairman and Dr Ross Macdonald as chief executive officer to develop stem cell therapies.

Last month, Eco Quest said it would move to acquire Cynata for its stem cell technology (BD: Jul 12, 2013).

Eco Quest said that executive director Howard Digby would become a non-executive director and chairman Darren Stuart Olney-Fraser would resign as a director.

Eco Quest said that Dr Washer would start on a base salary of \$48,000 and Dr Macdonald would start on a base salary of \$60,000.

The company said it has raised \$300,000 through a placement at one cent a share and hoped to raise a further \$300,000 through a share plan at the same price, allowing for a further \$200,000 in oversubscriptions, with the record date July 31, the plan opening on August 9 and closing on August 30, 2103.

Dr Washer told Biotech Daily that Cynata chief executive officer Dr Allen Bollands continued in his position (BD: Oct 5, 2012).

Eco Quest was unchanged at 1.4 cents with 4.1 million shares traded.

### CLINUVEL PHARMACEUTICALS

Clinuvel says that the current stage of its European Medicines Agency (EMA) centralized procedure application for Scenesse would be delayed to January 2014.

Clinuvel said that the application for the Scenesse afamelanotide 16mg implant was for the prevention of the light intolerance disorder erythropoietic protoporphyria.

Clinuvel acting chief scientific officer Dr Dennis Wright said the extension would "enable further investigation into the benefits of Scenesse by the EMA and patients and physicians may be contributing their experience to the EMA".

"Clinuvel will also make available the results to the EMA from the US phase III study in [erythropoietic protoporphyria]," Dr Wright said.

Clinuvel filed its Scenesse application in February 2012 (BD: Feb 7, 2012).

Clinuvel fell 20 cents or 10.5 percent to \$1.70.

### ANTISENSE

Antisense has requested a trading halt pending "an update on the status of the ATL1103 phase II clinical trial" for acromegaly.

Antisense began dosing in the 24-patient trial of ATL1103 in April (BD: Apr 10, 2013).

Trading will resume on August 5, 2013 or on an earlier announcement.

When the trading halt was announced at 11.47am, Antisense was down 0.2 cents or 11.1 percent to 1.6 cents with 22.9 million shares traded.

### INVION

Invion says it expects to receive \$1,460,000 million from the Australian Tax Office under the Federal Government Research and Development Tax Incentive program.

Invion said the rebate related to research and development expenditure for overseas research and development activities in 2011-'12, as well as research and development for local and off-shore research and development in 2012-'13.

Invion chief executive officer Dr Greg Collier said the funds would support its research and development activities, which included three phase II clinical trials.

Invion fell 0.2 cents or 3.6 percent to 5.3 cents.

### PHARMAUST

Pharmaust says its net operating cash burn for the three months to June 30, 2013 was \$357,000 with cash at the end of the quarter of \$363,000.

The Appendix 4C was filed after the market closed last night and today Pharmaust said that corporate adviser Peloton Capital had commitments for \$2.5 million in the capital raising to acquire of Pitney Pharmaceuticals with its three cancer therapeutic platforms (BD: Apr 30, Jul 5, 2013).

Pharmaust said the placement was "heavily oversubscribed with bids totaling \$4.6 million and settlement would be on August 8, subject to a shareholder meeting on August 5. Pharmaust was unchanged at 1.2 cents.

### BLUECHIIP

Bluechiip says its net operating cash burn for the three months to June 30, 2013 was \$1,122,000 with cash at the end of the quarter of \$868,000.

Bluechiip chief executive officer Brett Schwarz told Biotech Daily that the company was expecting a Federal Government Research and Development tax refund of \$1,092,771 with which it was need to repay a Macquarie Bank loan of \$888,118 and the balance would effectively leave the company with \$1,071,737 in cash.

Mr Schwarz said that the company had one-off expenditures of \$288,930 and the average quarterly cash burn was about \$850,000.

In its Appendix 4C Quarterly Report Bluechiip said that 10,933,333 options exercisable at 20 cents expired on August 31, 2013 and if they were all exercised would raise \$2,186,667.

"We are working on a number of commercial opportunities, including all possibilities," Mr Schwartz said.

Bluechiip was untraded at 17.5 cents.

### BIOXYNE (FORMERLY PROBIOTEC, HUNTER IMMUNOLOGY)

Bioxyne says its net operating cash burn for the three months to June 30, 2013 was \$447,000 with cash at the end of the quarter of \$204,000.

Bioxyne chairman Tony Ho said the company had a non-binding agreement to acquire Vitality Devices but that failed (BD: May 23, 2013).

Mr Ho said the company generated strong sales from the previous Probiotec probiotics business, with revenue of \$400,000 a 69 percent increase over the previous quarter, with research and development spending reduced to \$43,000 for the three months, mainly through the closure of the Hunter Immunology Newcastle operations.

Mr Ho said that the company was revising the way forward and anticipated the need to raise additional funds in the near term.

Bioxyne was unchanged at 0.4 cents.

### ACUVAX

Acuvax says its net operating cash burn for the three months to June 30, 2013 was \$139,000 with cash at the end of the quarter of \$138,000.

In July, the proposed back-door listing of Biolife Science into Acuvax, to return Dr Roger Aston and Paul Hopper to the cancer therapeutics company they founded, failed to raise the minimum \$4 million and was abandoned (BD: Dec 20, 2012; Jul 4, 2103).

Acuvax was untraded at 01. cents.

## BIOTECH DAILY'S TOP 40 WITH MARKET CAPITALIZATION

<b>Company \$Am</b>	<b>Aug-12</b>	<b>Jul-13</b>	<b>Aug-13</b>
Cochlear	3,754	3,540	3,484
CSL	21,632	30,042	32,182
Resmed	4,715	7,843	8,030
<b>BDI-20</b>			
Acrux	633	589	561
Alchemia	139	104	120
Benitec	18	15	24
Bionomics	86	129	226
Clinuvel	58	72	73
Heartware	1,227	1,647	1,668
Impedimed	39	17	27
Mesoblast	1,789	1,716	1,852
Nanosonics	133	157	194
Neuren	27	83	120
Osprey	38	46	54
Pharmaxis	343	43	51
Prana	45	92	145
Prima	128	80	122
Psivida	52	93	92
Reva	182	186	186
Sirtex	354	676	699
Starpharma	413	233	275
Tissue Therapies	81	25	49
Universal Biosensors	95	118	131
<b>Second 20</b>			
Allied Health	15	52	55
Anteo	53	46	44
Antisense	21	14	26
Atcor	10	11	16
Avita	39	44	44
Cellmid	9	16	18
Circadian	19	11	11
Compumedics	12	11	12
Ellex	17	17	21
Genetic Technologies	56	43	40
GI Dynamics	263	171	259
Living Cell	18	15	19
Medical Dev	51	75	79
Optiscan	11	11	12
Patrys	9	11	21
Phosphagenics	143	133	107
Phylogica	16	8	9
QRX Pharma	103	156	145
Uscom	6	13	12
Viralytics	18	21	26

\* Biotech Daily editor, David Langsam, owns shares in Acrux, Alchemia, Allied Health, Biota, Mesoblast, Nanosonics, Neuren and non-biotechnology stocks. Through Australian Ethical Superannuation he has an indirect interest in Acrux, Alchemia, Atcor, Avita, Circadian, Cochlear, Ellex, Neuren, Pharmaxis, Prana, Sirtex and Universal Biosensors. These holdings are liable to change.

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