



# Biotech Daily

Monday December 2, 2013

*Daily news on ASX-listed biotechnology companies*

- \* **NOVEMBER BDI-40 DOWN 1%, ASX200 DOWN 2%; BIG CAPS DOWN 0.6%  
- ANTEO UP 146%, PATRYS UP 80%, IMPEDIMED UP 52%**
- \* **TODAY - ASX, BIOTECH DOWN: ANTEO UP 12%, PHYLOGICA DOWN 10.5%**
- \* **HEARTWARE PAYS \$33m FOR CIRCULITE, SYNERGY PLATFORM**
- \* **BIOXYNE SELLS HI-164OV TO MARIPOSA, DR PHILLIP COMANS GOES**
- \* **BIONICHE TO DELIST FROM ASX IN 2014**
- \* **RESONANCE PLEADS SCHULTZ, AGM TO ASX 107% QUERY**
- \* **UP TO 26% OPPOSE IMMURON PLACEMENT CAPACITY, SHARE ISSUES**
- \* **BIOXYNE 28% REMUNERATION 1<sup>st</sup> STRIKE**
- \* **AUSTRALIAN LEADERS REDUCES TO 8% OF ATCOR**
- \* **ALISON COUTTS REPLACES NUSEP CHAIR JOHN MANUSU**

## MARKET REPORT

The Australian stock market fell 0.76 percent on Monday December 2, 2013 with the S&P ASX 200 down 40.5 points to 5,279.5 points. Ten of the Biotech Daily Top 40 stocks were up, 20 fell, eight traded unchanged and two were untraded.

Anteo was the best, up two cents or 11.8 percent to 19 cents, with 16.2 million shares traded. Both Atcor and Nanosonics climbed 5.9 percent; Prana was up 4.8 percent; Antisense and Starpharma were up more than three percent; Reva rose two percent; Medical Developments, Osprey and QRX were up more than one percent; with Cochlear up 0.8 percent.

Phylogica led the falls, down 0.2 cents or 10.5 percent to 1.7 cents with one million shares traded, followed by Benitec down 10.1 percent to 44.5 cents with 75,702 shares traded.

Avita and Compumedics lost more than eight percent; Impedimed was down 5.45 percent; Circadian, Pharmaxis, Phosphagenics and Psivida fell more than four percent; Admedus (Allied Health), Clinuvel, Neuren and Patrys were down more than three percent; Alchemia, Cellmid, Prima and Viralytics shed more than two percent; CSL and Universal Biosensors were down more than one percent; with Mesoblast and Sirtex down less than one percent.

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

November was flat for the Biotech Daily Top-40 Index (BDI-40) down 1.1 percent, the S&P ASX200 was down 1.95 percent and the three Big Caps fell 0.6 percent.

The BDI-40 had many small falls and rises, with 18 companies up, 18 down and four unchanged. There were several strong improvements both in and outside the BDI-40.

Anteo led the November charge, up \$73 million or 146 percent to \$123 million on a series of positive announcements about its Mix&Go molecular glue, followed by Patrys up 80 percent to \$27 million, Impedimed up 51.6 percent to \$47 million, Living Cell (21.9%), Psivida (21.7%), Neuren (16.25%), Compumedics (15.4%), Prima (14.9%), Ellex (14.3%), Bionomics (14.2%, and 200% in 12 months) and Alchemia (13.5%).

From a low base, Uscom's \$3 million or 21.4 percent fall to \$11 million was the worst in November, followed by Cellmid down 17.9 percent to \$23 million, Benitec (17.6%), Clinuvel (15.25%), Pharmaxis (12.8%), Genetic Technologies (12.5%), GI Dynamics (12.5%) and Avita (11.1%).

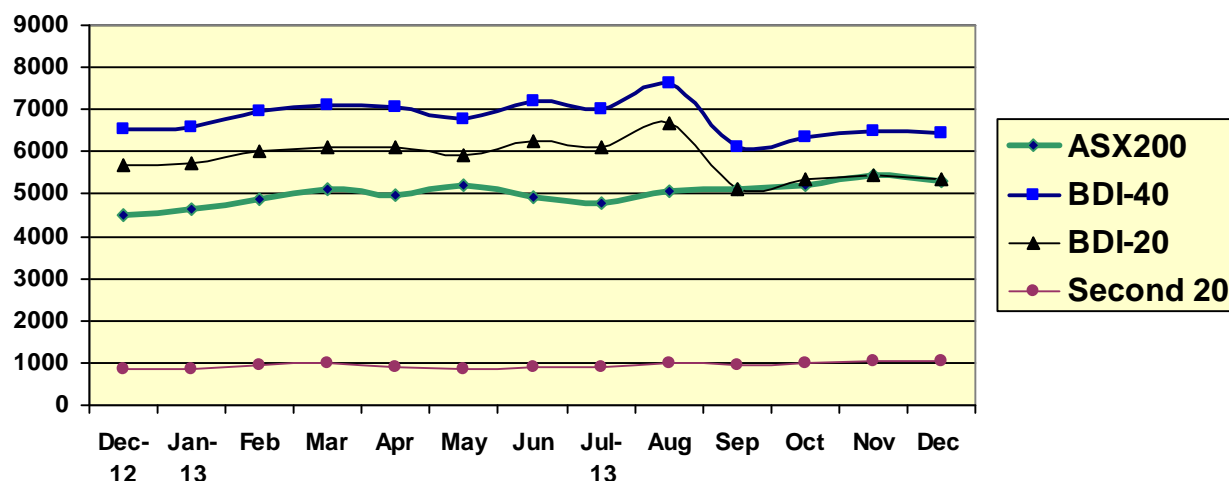
The three Big Caps of Cochlear, CSL and Resmed (which are not included in the BDI-40) fell a collective 0.6 percent with CSL down 0.7 percent to \$33,613 million, Cochlear up 0.6 percent to \$3,381 million and Resmed down 0.5 percent to \$7,657 million.

Outside the BDI-40, Suda climbed 168.2 percent to a market capitalization of \$59 million, Regeneus rose 121.2 percent to \$73 million, Resonance improved 120.0 percent to \$11 million, Analytica was up 72.7 percent to \$19 million, Cynata (formerly Eco Quest) jumped 37.5 percent on relisting on the ASX and Imugene was up 200 percent over two months.

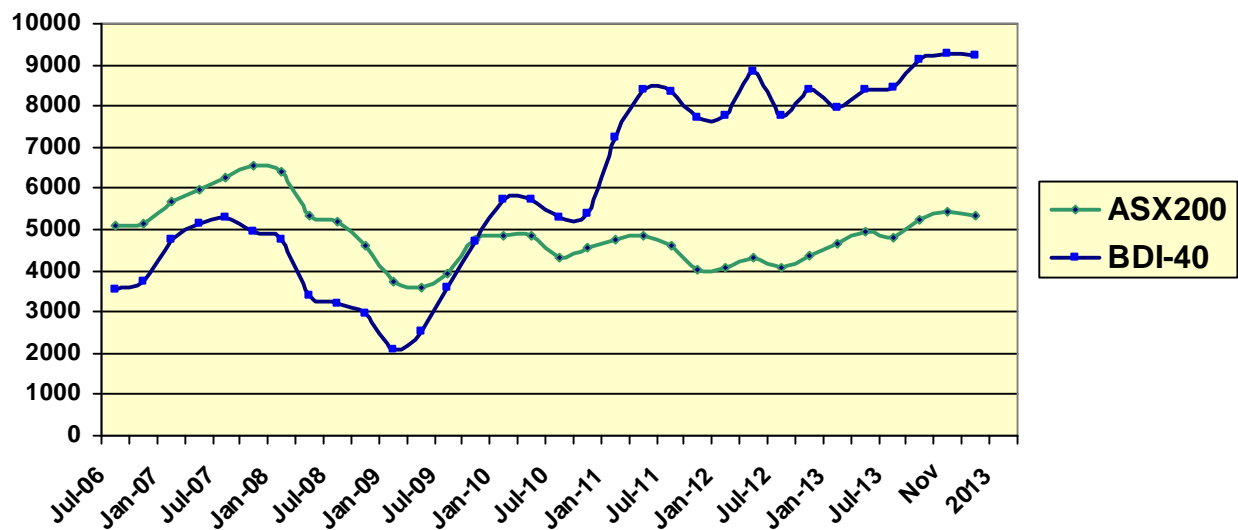
On the Nasdaq, Biota was up 4.3 percent to \$120 million, Heartware climbed 38.0 percent to \$1,742 million and Sunshine Heart fell 10.7 percent to \$167 million.

The unadjusted 12-month BDI-40, shows that despite the \$1,365 million Heartware loss, it has been in-line with the ASX200, while the adjusted 7-year chart demonstrates the long-term difference.

### **BDI-40 (\$m) v S&P ASX 200 – Nov 30, 2012- Nov 30, 2013**



## BDI-40 v ASX200 Jun 30, 2006 to Nov 30, 2013 - Adjusted



### HEARTWARE INTERNATIONAL

Heartware says it has acquired the Aachen, Germany-based Circulite for \$US30 million (\$A32.8 million) in upfront cash and scrip and up to \$US320 million over 10 years. Heartware said Circulite developed the Synergy support system, designed to treat less sick, ambulatory, chronic heart failure patients who were not inotrope-dependent. Heartware said it had acquired all of the issued and outstanding equity interests of Circulite for about \$US18 million in Heartware stock and about \$US12 million in cash to settle Circulite's debt and transaction expenses, along with contingent success payments on achieving regulatory and commercial milestones up to \$US320 million over 10 years. Heartware chief executive officer Doug Godshall said that Circulite's partial-support system was "the industry's most intriguing platform for the treatment of patients with earlier stage heart failure".

"Circulite has pioneered the partial-assist approach and demonstrated that this technique can significantly enhance the quality of life for this group of patients ... believed to be a substantially larger population than the end-stage heart failure patients that Heartware currently treats with our full-support ventricular assist devices," Mr Godshall said.

"Circulite's next generation endovascular system, which will be implanted collaboratively by cardiologists and surgeons in a hybrid [catheter laboratory] setting, offers an extremely compelling interventional approach to circulatory support," Mr Godshall said.

Heartware said the Synergy system, received Conformité Européenne (CE) mark approval in 2012, was about the size and weight of an AA battery and was implanted through a right, mini-thoracotomy procedure and did not require a sternotomy or cardiopulmonary bypass.

Heartware said that the inflow cannula was placed in the left atrium and the outflow graft was attached to the subclavian artery and the Circulite micro-pump was then placed in a pacemaker-like pocket and attached to the inflow cannula and outflow graft, which connected to a wearable, external controller and battery pack.

The company said that the system was undergoing an upgrade to resolve issues that arose following its commercial release and sales were expected to resume following approval to re-launch in Europe.

On the Nasdaq on Friday, Heartware was up \$US2.89 or 3.09 percent to \$US96.40 (\$A105.39, equivalent to \$3.01 before it left the ASX) with 129,649 shares traded.

## BIOXYNE

Bioxyne says it has an agreement to sell Hunter Immunology and its HI-164OV project to Mariposa Health and chief executive officer Dr Phillip Comans has resigned.

Dr Comans is Mariposa's executive chairman and Bioxyne chairman Tony Ho resigned as a director of Mariposa in March 2013.

Bioxyne said that Mariposa would pay \$175,000 in cash, assume a debt of \$60,000 and Bioxyne would acquire equity in Mariposa to the notional value of not less than \$325,000 at a deemed price of 16.5 cents a share, equivalent to five percent of Mariposa.

Mariposa would provide deferred consideration of \$1 million on commercialization of HI-164OV pending clinical and financial milestones over five years, and on commercialization pay an ongoing royalty from 2.0 to 6.5 percent of gross revenue.

Bioxyne said that Mariposa Health held "a number of COPD related research and development programs" and the transaction would augment its portfolio of COPD-related research programs.

The company said the following the sale of the Hunter Immunology assets for chronic obstructive pulmonary disease (COPD) it would continue with its sales and distribution of probiotics products acquired in the back-door listing through Probiomics and research and development of its Staphylococcus aureus and candida targeting assets.

Mr Ho said that the transaction allowed shareholders to continue and "maintain an ongoing interest in HI-164OV, while facilitating its further development".

"[Bioxyne] shareholders would also participate and share in the upsides when HI-164OV is successfully commercialized by Mariposa Health," Mr Ho said.

Bioxyne was untraded at 0.9 cents.

## BIONICHE LIFE SCIENCES

Bioniche says it will seek ASX approval to delist by July 2014, due to the low level of trading on the ASX and the small number of Chess depositary interests (CDIs) remaining.

In 2011, the company raised \$15 million in Canada and a further \$15 million in Australia to list on the ASX to develop its phase III bladder cancer drug Urocidin (BD: Jan 20, 2011).

In late 2012, Bioniche partner Endo Pharmaceuticals closed its phase III Urocidin trial and handed the drug back to Bioniche (BD: Nov 6, 2012; Jan 20, 2013).

The company faced investor dissent through 2013, along with divesting some of its key divisions and the retirement from an executive role of founder Graeme McRae.

On listing on the ASX, Bioniche said it had 8,621,380 CDIs available on the ASX and the most recent Appendix 3B statement said there were 2,269,787 CDIs listed on the ASX. Bioniche fell three cents or 7.9 percent to 35 cents.

## RESONANCE HEALTH

Resonance has told the ASX that it is not aware of any information it has not announced which, if known, could explain recent trading in its securities.

The ASX said the company's share price rose 106.7 percent from 3.0 cents on November 26 to 6.2 cents today, December 2, 2013 and noted an increase in trading volume.

Resonance said a presentation to its annual general meeting outlined strategy for its Ferriscan, Hepafat-Scan and Fibrosis tests and other opportunities and it had announced a contract with Alliance Medical to expand Ferriscan in the UK.

Resonance was up 1.8 cents or 48.7 percent to 5.5 cents with 18.3 million shares traded.

### IMMURON

Immuron faced dissent against additional share issue capacity and stock issues to directors and associated companies.

The strongest opposition was to a resolution to approve additional capacity to issue shares with 66,680,036 votes against (26.1%) and 188,932,387 votes (73.9%) in favor.

Immuron's most recent Appendix 3B new issue announcement said the company had 1,035,450,143 shares on issue, meaning that the opposition votes amounted to 6.4 percent of the company, sufficient to requisition extraordinary general meetings.

The issue of shares and options to Grandlodge and directors Daniel Pollock and Stephen Anastasiou were opposed by 60,145,128 votes with more than 189 million votes in favor.

The remuneration report, resolutions to issue stock to chairman Dr Roger Aston, the CFO Solution and the election of directors Mr Pollock and Mr Anastasiou were passed easily.

Immuron's Amos Meltzer told Biotech Daily the stock issues were in lieu of cash.

Immuron was unchanged at 0.9 cents.

### BIOXYNE

Bioxyne has a remuneration report first strike following an annual general meeting vote of 2,516,499 votes (27.9%) against the report and 6,496,618 votes (72.1%) in favor.

Under the Corporations Amendment Act 2011 any company sustaining a vote of 25 percent or more against the remuneration report in two successive annual meetings is required to vote on a board spill and if at a later meeting passed by more than 50 percent of votes the directors must stand for reelection at a subsequent meeting within 90 days.

Bioxyne's most recent Appendix 3B new issue announcement said it had 148,060,541 shares on issue, meaning that the votes against the remuneration report amounted to 1.7 percent of the company and not sufficient to requisition extraordinary general meetings .

Directors Jeremy Curnock Cook and Patrick Ford and a resolution to approve the 10 percent placement capacity were passed overwhelmingly.

### ATCOR MEDICAL

The Australian Leaders Fund has reduced its substantial shareholding in Atcor from 13,752,022 shares (9.00%) to 12,269,428 shares (7.84%).

The Australian Leaders Fund said it sold 1,482,594 shares for \$276,449 or an average price of 18.6 cents a share on November 27, 2013.

Atcor was up one cent or 5.9 percent to 18 cents.

### NUSEP HOLDINGS

Nusep says Alison Coutts was elected as a non-executive director at its annual general meeting and has been appointed chair of the company, replacing John Manus.

Nusep said that Mr Manus, Dr Hari Nair and Clifford Eu resigned following the meeting on November 29, 2013 with Mr Manus and Dr Nair remaining directors of Nusep subsidiary Prime Biologics (BD: Oct 29, 2013).

Nusep was untraded at 4.2 cents.

## BIOTECH DAILY'S TOP 40 WITH MARKET CAPITALIZATION

Company \$Am	Dec-12	Nov-13	Dec-13
Cochlear	4,277	3,361	3,381
CSL	25,959	33,851	33,613
Resmed	6,163	7,699	7,657
<b>BDI-20</b>			
Acrux	451	446	418
Alchemia	149	170	193
Admedus (Allied Health)	18	188	188
Benitec	15	51	42
Bionomics	113	289	330
Clinuvel	61	59	50
Impedimed	20	31	47
Mesoblast	1,717	2,095	1,974
Nanosonics	128	229	222
Neuren	45	160	186
Osprey	38	86	86
Pharmaxis	361	39	34
Prana	77	223	216
Prima	128	47	54
Psivida	31	69	84
Reva	182	177	170
Sirtex	652	698	673
Starpharma	326	254	242
Tissue Therapies	51	54	51
Universal Biosensors	155	103	94
<b>Second 20</b>			
Anteo	47	50	123
Antisense	17	22	24
Atcor	11	25	27
Avita	45	36	32
Cellmid	8	28	23
Circadian	18	12	12
Compumedics	9	13	15
Ellex	17	28	32
Genetic Technologies	34	40	35
GI Dynamics	186	320	280
IDT	10	30	34
Living Cell	18	32	39
Medical Dev	101	73	78
Optiscan	15	9	10
Patrys	19	15	27
Phosphagenics	148	138	128
Phylogica	11	10	10
QRX Pharma	110	101	94
Uscom	11	14	11
Viralytics	24	29	31

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

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